



OPERATION VULINDLELA

REPORT OF THE WORK VISA REVIEW



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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FOREWORD

Mavuso Msimang

In June 2021 I was tasked with leading a team of highly skilled and dedicated professionals in the persons of Saul Musker and Lawule Shumane from The Presidency, and Dr Sean Philips and Nomvuyo Guma, from the National Treasury, all of us working under the auspices of Operation Vulindlela. My special thanks, and congratulations, go to Dr Philips who had to leave the project prematurely to take up a senior assignment at the Department of Water and Sanitation, where he is now Director-General.

Set up in 2020 to support Cabinet and the President to accelerate the implementation of priority structural reforms, Operation Vulindlela has a modus operandi that is crisply captured in the statement: “We cannot continue with business as usual if we are to successfully implement economic reforms.”

Our responsibility was to review the regulatory framework and processes that govern the issuing of critical skills, general work, business, and intracompany transfer visas at the Department of Home Affairs. To achieve this, the efficacy of South African work-visa processing system was benchmarked against countries that are recognised as successful in attracting non-national skilled workers. We also compared South Africa’s performance to that of like countries in the sense that they also have a scarce skills deficit alongside high unemployment – a conundrum that characterises many emerging economies. The review also included a business process analysis of the management of work visas at the Department of Home Affairs, and received input from a wide range of stakeholders, including leading firms and investors. This, to inform the recommendations that we have outlined on the way forward.

In the production of this report, the role of the Department of Home Affairs was exemplary. Mr Yusuf Simons, the Acting Deputy Director-General for Immigration, and his experienced team participated in a constructive, informed, and informative manner in our joint search for an optimal solution to the challenges that beset the work visa system. Through this engagement, the department’s immigration branch has shaped the recommendations made in this report, for which they will be responsible.

Ministers whose departments are integral in the work visa process, led by Minister Aaron Motsoaledi, provided strong support for this review. I was afforded easy access to, and exchanged openly with, Minister Thulas Nxesi and Minister

Ebrahim Patel. Similarly, the cooperation of Directors-General and senior management in all the relevant departments was essential. Our gratitude also goes to Dr Julie Reddy, CEO of the South African Qualifications Authority, who greatly facilitated our work.

We would also like to thank Prof Haroon Borhat and the Development Policy Research Unit staff in the School of Economics at the University of Cape Town for their highly valued contribution to its preparation.

Last but by no means least, the government owes Business Leadership South Africa (BLSA) a debt of gratitude, for its unqualified support of and input to this review and to the effort to find sustainable solutions to the challenges that we face. It is recognised that BLSA members and the economy have endured the adverse effects of an inadequately functioning visa management system.

The report we have prepared demonstrates that the absence of skills needed by the economy is eminently solvable. By reforming our work visa system, we can attract investment and accelerate economic growth while promoting the employment of South Africans.

Mavuso Msimang

Johannesburg, August 2022

EXECUTIVE SUMMARY

The South African labour market is characterised by an acute demand for skilled labour that exists alongside high levels of unemployment among the low-skilled and unskilled. Resolving this challenge will require a combination of short-term and longer-term solutions. Over the long-term, there is a need to strengthen skill development and training opportunities to ensure that nationals have the theoretical knowledge and practical experience to succeed in industry. Available national data shows that many unemployed South Africans have lower levels of education and those with tertiary qualifications have limited work experience to assume available positions. As a result, many they lack the competence that would qualify for employment in the critical skills category.

In the short term, the requisite high-level skills must be sourced internationally in order to support economic growth. The highly skilled foreign workers do not, in any way, worsen our country's high unemployment rates as those who are unemployed are largely people at lower skills levels. In fact, research shows that an employee who possesses a critical skill has the potential to create more than one job, on average, for those with a lower skills level. Skilled workers also contribute to improved productivity and to innovation, enhancing the competitiveness of the firms for which they work for. Additionally, skilled workers make a significant contribution to tax revenues and spend in a variety of sectors, supporting economic growth.

The Economic Reconstruction and Recovery Plan (ERRP) notes that the growth of many of the country's economic sectors is constrained by the insufficiency of skills and prioritises reforms in the visa system. The Operation Vulindlela review team accordingly carried out an in-depth study of the functioning of the regulatory framework and work-visa processes that have been put in place to manage and adjudicate the South African work visa system. Consultations were held with the Department of Home Affairs (DHA); the Department Employment and Labour (DEL); the Department of Higher Education and Training (DHET); as well as with the South African Qualifications Authority (SAQA).

Given the acknowledged under-performance of the work-visa system in processing the procurement of critical skills from the international market, the review team, led by Mavuso Msimang, a former Director-General in the DHA, focused on examining systemic snags within the work-visa system, and discussed and recommended a suite of necessary remedies for the enhancement of the system's effectiveness. It should be noted that the review team's remit was limited to the investigating the functioning of the work-visa system, which comprises the general work, critical skills, business, and intracompany transfer visas, given their role in facilitating the entry of skilled professionals into the country.

The ultimate objective of the review was to ensure that the South African work-visa system attracts the skills needed to grow the economy and stimulate investment. To this end, the review team carried out in-depth analyses of the South African labour market, to gain insights into unemployment dynamics, and to appreciate the role of skilled labour in reducing the current high unemployment situation. This analysis revealed that those who are unemployed are largely in elementary professions with only a small percentage comprising managers, professionals, and technicians. Our findings, supported by desktop research, led us to the conclusion that available labour supply does not match demand from companies, which are essentially looking to employ management-level personnel, professionals, engineers, technicians, science, and maths educators, as well as information technology experts. The Critical Skills List published in 2022 confirms this.

South Africa's policy documents that govern skilled immigration recognise the importance of attracting skilled labour to drive national priorities while simultaneously safeguarding the country's sovereignty, peace, and security. The recently published National Labour Migration Policy echoes the critical importance of attracting skilled workers into the country, especially at a time when the country is losing significant numbers of skilled professionals, specifically health workers, engineers, and artisans, through emigration. **As an indicator, about 900 000 South Africans emigrated in 2020 with the majority settling in the UK and Australia.** The policy also notes that South Africa is host to a large number of unskilled immigrants, which contributes to ongoing social tensions given the high unemployment rate among unskilled South Africans. While unskilled labour migration does not fall within the purview of our investigation, the urgency of finding a solution to undocumented or illegal migration cannot be over-emphasised, especially in light of hardening attitudes against immigrants, including skilled ones, who are sorely needed boost the country's embattled economy.

It is important that the challenges associated with illegal immigration do not distract the government from carrying out its well-considered policy of attracting skills and investments that are crucial for economic growth. The successful implementation of skilled immigration can only help in safeguarding the country's national security and territorial integrity. At present, it must be pointed out, the visa system is achieving neither of these objectives. Instead, immigration patterns are characterised by unusually high barriers to crucially needed skilled immigration, with only small numbers of skilled foreign nationals being allowed in, while exposure to unwanted immigration remains high. There can be no gainsaying the fact that what appear to be excessive security concerns and onerous administrative processes unduly delay and sometimes even prevent the admittance of legitimate, crucially needed immigrants.

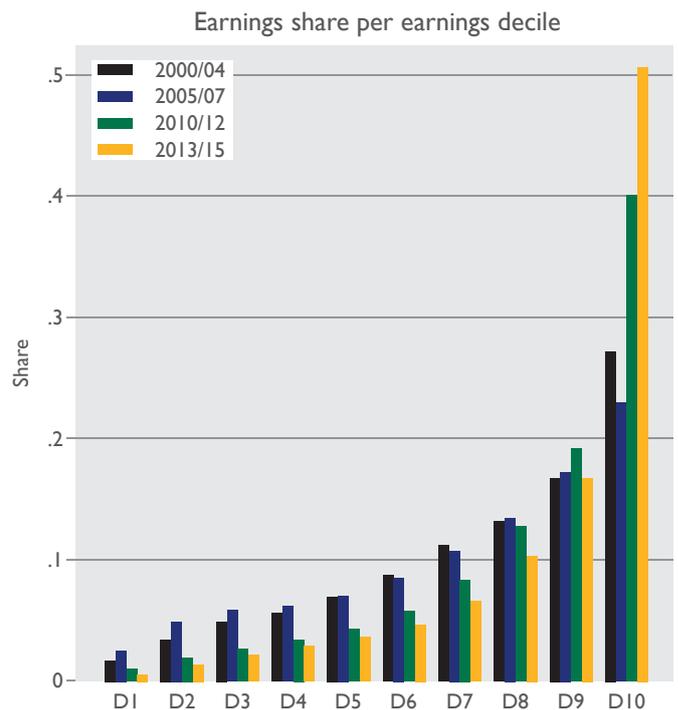
The review thus recommends the pursuit of a robust work- visa strategy that will result in the attraction of skills that are needed to facilitate greater levels of productivity by industry, stimulate investment in the economy, with the resultant economic growth and job creation. Such a strategy should aim to position South Africa as a preferred location for head and regional offices for multinational companies. All this must and can be achieved while at the same time safeguarding South Africa’s national security. Additionally, the review provides recommendations on how the DHA can be more efficient in processing work visas. Key improvements are required in the area of technology platform modernisation, the better to facilitate application filing, support automated adjudications, and seamless collaboration across key government departments.

HISTORICAL CONTEXT: THE EVOLUTION OF LABOUR MIGRATION IN SOUTH AFRICA

Labour migration is intrinsically linked to the history of South Africa. Migrant workers from across Southern Africa supported the growth of the agricultural and mining sectors, which were major contributors to economic expansion during the Union of South Africa era, even after South Africa became a republic in 1960. The structure of the economy changed significantly during the 1990s, when the service sector began to supersede mining and agriculture, marking a drastic change in the economy’s labour needs (OECD, 2019). This signalled a heightened demand for skilled labour and a corresponding reduction in the demand for low- and unskilled labour. The apartheid government’s labour policies constrained the development and training of broad-based, home-grown capacity to meet the demands of a growing service industry, necessitating international sourcing of the required, high-end labour.

The problem has persisted to modern times. Evidence of continuing skills shortages can be found in wage trends that show that the demand for skilled labour has exceeded supply for some time, causing the wages of high-skilled workers (i. e., those with relevant industry experience and tertiary qualifications) to rise dramatically (National Treasury, 2019). These wage trends are partly explained by skills-biased technological changes and the growth of skills-intensive sectors, which is experienced globally, but are also the result of deficiencies in the basic and higher education and training system. Figure 1 illustrates growing wage inequality in South Africa, where earnings have been consistently growing for the top decile (between 2005 to 2015) while earnings shrank for the lower deciles (Bohrat, 2020). Typically, a high wage premium for skilled workers is a strong indicator of a shortage of skilled labour relative to demand.

Figure 1: Widening wage inequality in South Africa



Source: Bohrat et al. (2020)

The skills shortage threatens to reduce the competitiveness of South African firms, which would in turn, negatively impact long-term economic growth. Ensuring that vacancies for experienced hires are filled facilitates productivity improvements and supports innovation, which encourages future growth (Wittenberg 2014). Additionally, while there is an increasing number of tertiary graduates in the country, some remain outside of formal employment as they are too inexperienced for available positions. Without experienced staff filling available posts, these graduates are at risk of never getting the skills transfer needed to grow in their sectors, leading to greater negative impacts on people and the wider economy. We expand on the benefits of skilled immigration in the sections that follow.

Addressing the skills shortage will require a combination of short- and longer-term solutions to combat the growing constraints on economic growth. Short-term solutions, like simplifying the work visa regulations for individuals with the right set of technical and soft skills, will provide a supply boost that allows firms to improve their competitiveness and young graduates to deepen their expertise in their chosen sectors, given the higher chance of being well-trained by their experienced colleagues. Longer-term solutions, like improving quality of education and training for all, have the potential to reduce South Africa’s heavy reliance on importing skilled professionals to service established and growing industries.

This report focuses on the short-term solutions for addressing the skills shortage. We begin by understanding the nature of unemployment, unpacking the role for skilled immigration South Africa’s labour market. This is followed by a literature review of

the benefits that result from skilled immigration generally and in South Africa. We then conduct a deep dive into the policies and processes that govern how skilled talent enter and stay in South Africa. The report then looks at how other countries manage to attract skilled talent and process work visas in an expedited manner, before making recommendations on how South Africa can strengthen its policies and processes.

UNEMPLOYMENT IN SOUTH AFRICA AND A ROLE FOR SKILLED IMMIGRATION

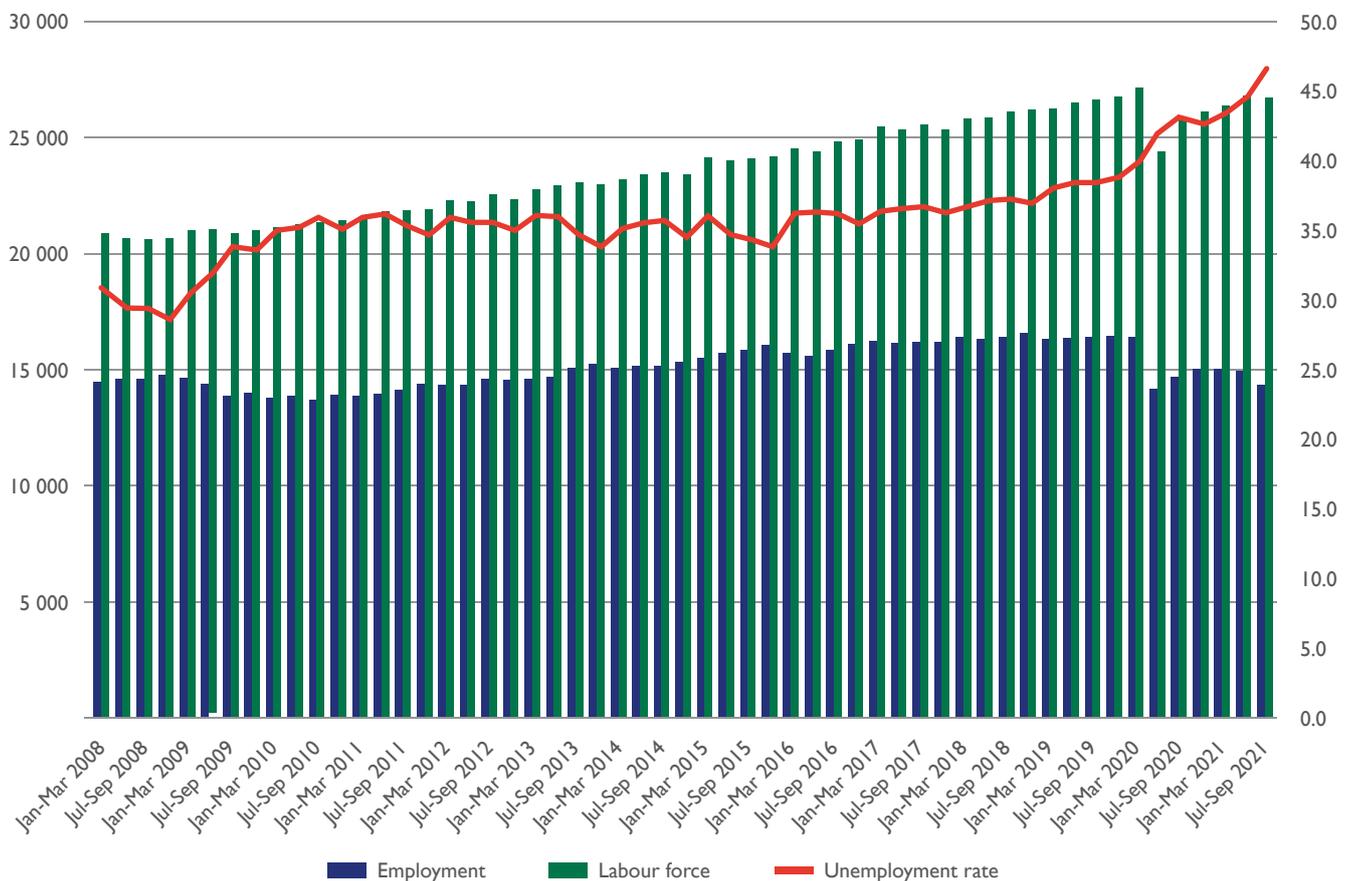
This section considers what might cause employers not to find the type of skilled employees they need in the local labour force, despite the labour seemingly being available. It begins by exploring the current labour market trends in South Africa and then considers the composition of the unemployed in

the population, looking at educational attainment and work experience to show why the type of skills required by employers to address immediate skill shortages may not be found in the local labour force.

OVERVIEW OF UNEMPLOYMENT IN SOUTH AFRICA

Over the period from January 2008 until September 2021, South Africa has experienced a growing labour force, as illustrated by Figure 2, below. However, the employed population has not been growing at the same rate and its trend has instead been relatively flat in comparison. This has resulted in an increasing unemployment rate, which stood at 34.9% in 2021 Q3. The impact of COVID-19 can be clearly noted Q2, 2020, and it shows that employment has not yet returned to pre-pandemic levels.

Figure 2: South Africa's unemployment rate and the size of the labour force, 2008 - 2021



Source: Statistics SA, QLFS (2008-2021)

Table 1 highlights that between 2016 and 2021, South Africa's working age population grew at an average annual rate of 1.6%. Employment, however, declined over this same period at an average annual rate of 2.0%, contracting by 1.6 million. According to the narrow definition (which excludes unemployed individuals who are not looking for work from the labour force), unemployment increased by 1.8 million individuals over this period – resulting in the narrow unemployment rate increasing from 27.1% to 34.9%. The increase in non-

searching unemployed over the same period was 1.7 million; thus, according to the expanded definition (which includes these individuals in the labour force), expanded unemployment increased by 3.6 million individuals – resulting in an increase in the expanded unemployment rate of over 10 percentage points from 36.3% to 46.6% over the 5-year period.

Table 1: South African Labour Market, Q3 2016 - Q3 2021

	Q3 2016	Q3 2021	Change	
	('000s)	('000s)	Absolute ('000s)	Relative (%)
Labour market aggregates ('000s)				
Working-age population	36 750	39 745	2 995	1.6 *
Employment	15 833	14 282	-1 551	-2.0 *
Narrow unemployment	5 873	7 643	1 771	5.4 *
Narrow labour force	21 706	21 925	219	0.2
Expanded unemployment	9 019	12 484	3 465	6.7 *
Expanded labour force	24 852	26 766	1 914	1.5 *
Non-searching unemployed	3 146	4 841	1 694	9.0 *
LFPR (%)				
Narrow LFPR	59.1	55.2	-3.9	-1.4 *
Expanded LFPR	67.6	67.3	-0.3	-0.1
Unemployment rate (%)				
Narrow unemployment rate	27.1	34.9	7.8	5.2 *
Expanded unemployment rate	36.3	46.6	10.4	5.1 *

Statistics SA, QLFS Q3 (2016, 2021)¹

With 12.4 million unemployed individuals in Quarter 3, 2021 (according to the expanded definition), and declining employment, it is clear that South Africa has a major unemployment problem. In a country with unemployment at such a level, immigration is often perceived negatively as taking employment away from South Africans who are in dire need of employment. When considering a number of characteristics (specifically, age, education, and previous occupation) of the pool of unemployed individuals, the subsections that follow describe why employers may not be able to find the type of skills they require in the South African labour force in the short-term despite high levels of unemployment.

AGE AND EDUCATIONAL ATTAINMENT OF THE UNEMPLOYED²

Table 2 shows unemployment rates across age and educational attainment between Q3 2016 and Q3 2021. In general, younger cohorts experience higher rates of unemployment, a rate that declines with increasing age. The age cohort for 15–24-year-olds had the highest rate of unemployment at 77.2% in 2021 Q3. The 25- to 34-year-old cohort had the highest overall change in unemployment rate between 2016 and 2021 in percentage point terms (14.2 percentage points).

In terms of educational attainment, unemployment is lowest among individuals with higher levels of attainment. In 2021, those with a degree qualification had the lowest unemployment rates (15.2%). This was followed by those who had a diploma (29.4%), and then those who completed secondary education (47.1%). All levels of educational attainment experienced a

significant increase in unemployment rates between 2016 and 2021, with individuals who had completed secondary education experiencing the largest percentage point increase (12.9 percentage points). What is concerning is that the annual rate of change was largest for individuals with a degree (12.1% per annum). These rates suggest that while unemployment is a problem across all age groups and educational attainment levels, it is the young and those with lower levels of education who make up the bulk of the unemployed.

Table 2: Expanded unemployment rates, Q3 2016 - Q3 2021

	Q3 2016	Q3 2021	Change	
	(%)	(%)	Percentage points	AAGR
% Overall unemployment				
	36.3	46.6	10.4	5.1
By age group				
15–24 years	65.5	77.4	11.9	3.4
25–34 years	41.1	55.3	14.2	6.1
35–44 years	28.3	39.1	10.8	6.7
45–54 years	22.5	31.6	9.1	7.0
55–64 years	17.1	24.4	7.4	7.4
By highest level of educational attainment				
Primary or lower	38.5	48.0	9.5	4.5
Secondary not completed	44.9	55.4	10.5	4.3
Secondary completed	34.2	47.1	12.9	6.6
Diploma	20.4	29.4	9.0	7.6
Degree	8.6	15.2	6.6	12.1

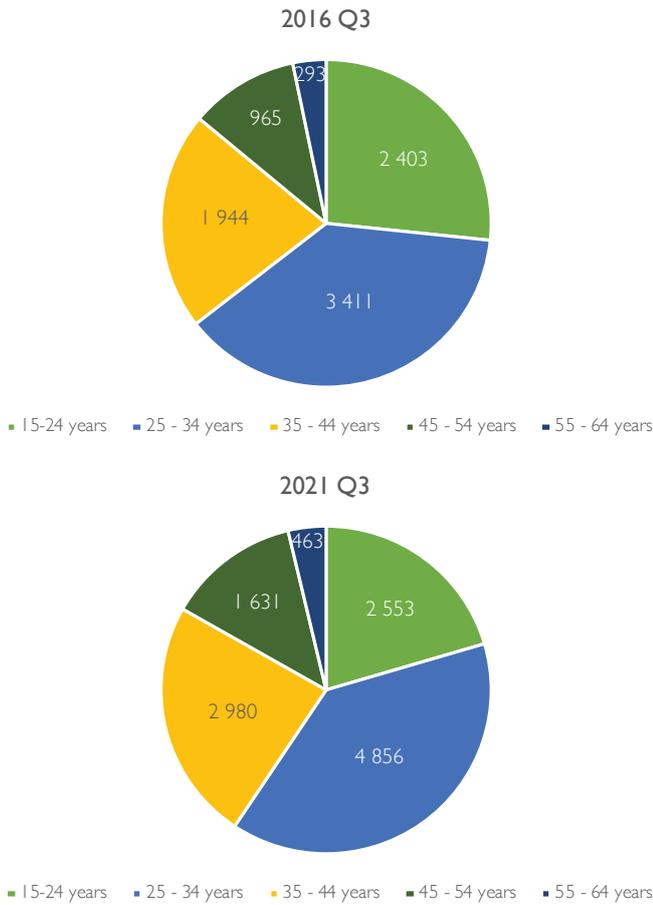
Source: Statistics SA, QLFS Q3 (2016, 2021)

Figure 3 shows the number and proportion of unemployed South Africans in different age groups in 2016 and 2021. More than half of the unemployed population is between 15 and 34 years of age. At this age these individuals lack the years of experience or specialisation required for the high-skilled vacancies in South Africa for which skilled immigrants are required. There is still a substantial pool of unemployed individuals who are older where one might expect to find qualified applicants for available vacancies for skilled workers. However, looking at the levels of educational attainment in the labour force makes it clear that the bulk of the unemployed – across all ages – do not have high levels of educational attainment.

¹ The working-age population consists of those aged 15 to 64 years. An asterisk (*) denotes statistically significant changes at the 90% confidence level. A t-test was used to determine whether there was a significant difference between the relative change in Q3 2016 and Q3 2021. T-tests have been used to determine significant differences between periods throughout this report.

² This, and other subsections in the chapter consider the expanded definition of unemployment as this represents the full pool of unemployed in society.

Figure 3: Shares (and numbers – in thousands) of age cohorts of the unemployed population, Q3 2016 Q3 – Q3 2021

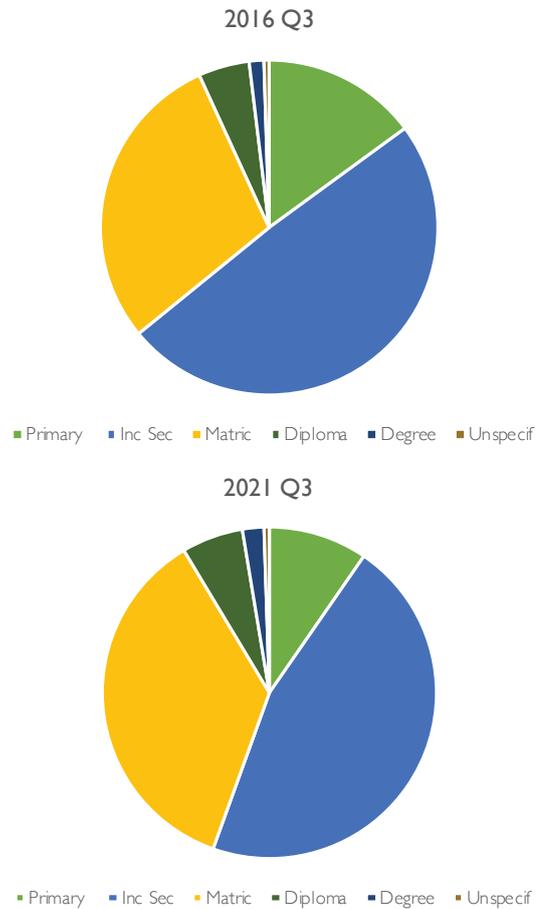


Source: Statistics South Africa, QLFS Q3 (2016, 2021)

Figure 4 shows the number and proportion of unemployed South Africans that have obtained each level of educational attainment in 2016 and 2021. Most individuals who have been unemployed over the past 5 years have not completed secondary school. In fact, between 40 and 50% of the unemployed population has attended but not completed secondary school, while between 30 and 40% of unemployed individuals completed secondary school between Q3 2016 and 2021.

All categories – except for primary level education – experienced an increase in the number of unemployed individuals over time. However, the rise in the number of unemployed individuals with secondary education is steeper than the rest. This suggests that a higher number of individuals with a secondary level of education are entering the labour force and are not being successfully absorbed.

Figure 4: Shares (and numbers) of educational attainment of the unemployed population, Q3 2016 – Q3 2021



Source: Statistics South Africa, QLFS Q3 (2016, 2021)

A concerning trend is the increase, which occurred between 2016 and 2021, in the number of unemployed individuals with diplomas and degrees. A possibility exists that some of these individuals' skills are those that employers may be seeking from immigrants. To consider this, Figure 5 and Figure 6 below show the shares of unemployed graduates in 2021 by age, and whether they had worked before. Young graduates and those who had never worked before would suggest that these individuals do not have the required experience and have not developed their skills to the level required by employers despite having a qualification.

Figure 5: Shares of unemployed graduate population by age, Q2 2021

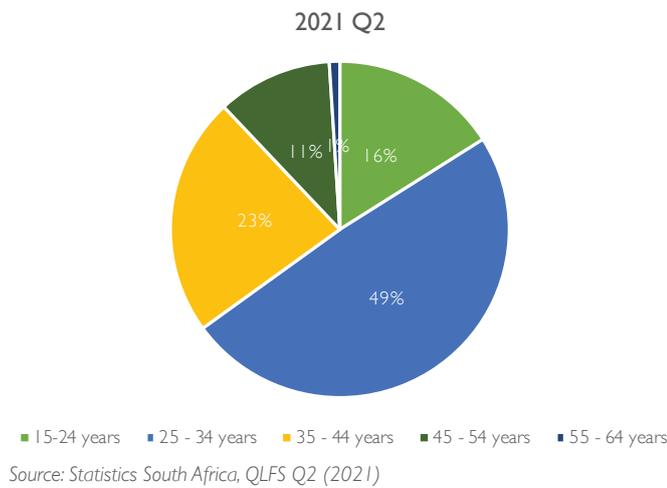


Figure 6: Shares of unemployed graduate population by ever worked status, 2021 Q2

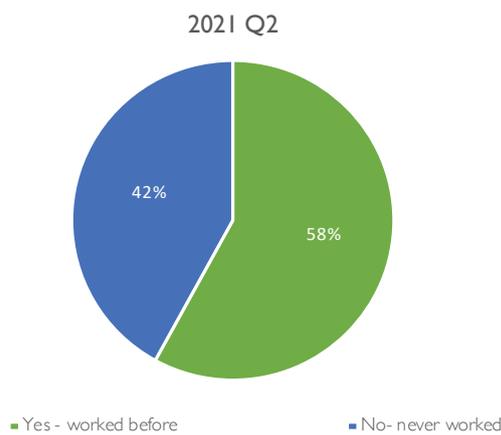
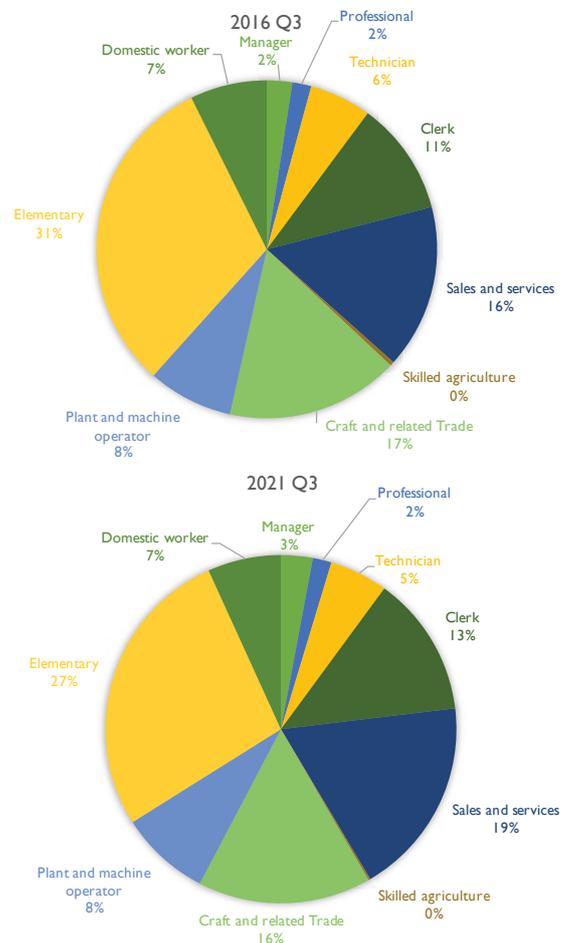


Figure 6 shows that a considerable proportion – 42% – of unemployed graduates have never worked before. This supports the suggestion that many of these unemployed graduates would not have the skills and experience required to take up the jobs for which employers are recruiting skilled immigrants. Therefore, in the pool of unemployed graduates, a considerable percentage is not likely to qualify for the high-skilled positions employers are seeking and looking to import immigrants to address immediate skill shortages. We do not have data on the fields of study for these individuals and level of experience to consider further the nature of skills and experience in this remaining pool of unemployed graduates. However, it is not unreasonable that employers would not be able to find the skills they are looking for in this pool given the specialist skills they often require and the relatively small size of this group.

OCCUPATIONS OF THE UNEMPLOYED

Although the data is limited, the pattern seen with respect to the educational attainment of the unemployed is mirrored by the previous occupations of those unemployed individuals who have worked within the past five years, as indicated by Figure 7. In 2021, the largest proportion of the unemployed (for which we have previous occupation data) is made up of elementary workers (27.2%). The second and third largest percentage of the unemployed is made up of individuals who previously worked in sales and services, and crafts and related trade. The smallest proportions of the unemployment are managers, professionals, technicians, and skilled agriculturalists.

Figure 7: The occupations of the unemployed population, Q3 2016 – Q3 2021



The skilled immigrants, for whom work visas are required to bring them to the country to address short-term skill shortages, are more likely to fall within the professional, management and technician categories. Therefore, existing data suggests that they would not compete for employment with the approximately 90% of the unemployed population³.

³ It should be borne in mind that these numbers only refer to the unemployed population for which this data is available – many of the unemployed have not answered the relevant question in Stats SA's QLFS surveys or have not worked before and thus do not have a previous occupation. Nevertheless, this limited data is suggestive of most of the unemployed skills that are aligned to lower skilled occupations rather than high-skilled occupations.

While South Africa suffers from high unemployment rates, the available data points to the fact that many of these individuals do not fall within the highly skilled Science, Technology, Engineer, and Mathematicians (STEM), category in which skilled immigrants are required to address pressing short-term skill shortages. Supporting this conclusion, the ManpowerGroup published its 13th annual survey of South African businesses who identified management executives, engineers, technicians, STEM teachers, and information technology experts, as some of the professions that are in short supply locally (Manpower Group, 2020). The Critical Skills List, which identifies 101 skills that South Africa aims to attract, corroborates this view from employers by specifying that over 60 of the 101 needed skills are from management and STEM professionals (DHA, 2022).

As the analysis in this section shows, South Africa's labour market is characterised by high levels of unemployment among the unskilled and low-skilled population alongside shortages of skilled labour. This explains why skilled immigration (unlike other forms of immigration, which are not addressed in this review) is unlikely to displace local labour. Instead, as the next section shows, addressing skills shortages has the potential to stimulate much higher local employment as firms are able to invest and expand, and as the employment of high-skilled staff creates opportunities at lower skills levels.

The solution to the skills shortage in the longer term is to improve the current stock of skills and reduce the skills mismatch in South Africa through improving the supply of skilled labour. This requires a significant long-term improvement in outcomes throughout the education system. In the short term, however, skills shortages can be addressed through the importation of skills that are in demand but not in supply in the labour force. Such an approach is not in conflict with high unemployment in South Africa (which disproportionately impacts the young, inexperienced and those with lower levels of educational attainment) and can instead boost the economy and generate more jobs for the unemployed.

THE ECONOMIC BENEFITS OF SKILLED IMMIGRATION

A large focus of the immigration debate both locally and globally has typically been on low-skilled labour migration. This has, however, begun to change as more countries explore the potential gains to be made by updating their immigration policies in order to attract additional high-skilled immigrants. Czaika and Parsons (2015) characterise the redesign of immigration regimes as a global competition to attract internationally mobile human capital. Most OECD countries expect growing shortages of high-skilled labour and have therefore introduced policies aimed at facilitating the recruitment of such workers (Chaloff and Lemaître, 2009). High-skilled immigrants, especially STEM workers, differ from low-skilled immigrants in a number of ways, primarily in that high-skilled workers tend to be internationally mobile and frequently move between companies and countries

(Chiswick, 2011). Countries that fail to put in place conducive regimes to enable skilled immigration stand to lose out in an increasingly competitive global skills market, failing to attract skills even as local skilled labour is lost to emigration.

Critical skills visas make up a small minority of all temporary residence visas issued in South Africa, suggesting that there is scope for critical skills to be imported into the country to the benefit the country's economy (DHA, 2017). There are an estimated **3.95 million** foreign-born people living in SA according to StatsSA⁴. However, about **16 100 critical skills visas** have been granted over the past seven years (DHA, 2021). This shows that only a vanishing minority of immigration at present is skilled. This becomes more important when viewed in the context of South Africa experiencing large skills outflows, which worsens the country's immediate skills shortage problem (Rasool et al., 2012). **As an indicator, about 915 000 South Africans emigrated in 2020** (Business Tech, 2022).

The review focuses on high-skilled labour as this is the type of labour that improved immigration policies and procedures aim to attract into the country more easily. We divide the discussion into two key effects of skilled immigration into a country: (i) the effect on the labour market, and (ii) the effect on the broader economy.

LABOUR MARKET EFFECTS

The participation of skilled immigrants in a host economy will naturally impact the local labour market. McConnell, Brue, and Macpherson (2003) identify employment effects and wage effects as primary channels through which immigration affects the labour market.

Employment effects can be described as expanding the supply of skilled professionals who can fill vacancies, providing opportunities for employers to find the best fit. This increases the supply of labour, without implying that immigrants replace non-immigrants on a one-for-one basis. Having a wider pool of talent to choose from allows employers to predictably reduce their search times, limiting the negative impact on their operations and enhancing competitiveness.

The increased supply of high-skilled workers within a host economy also has potential wage effects. Increasing the supply of high-skilled workers could benefit low-skilled workers by increasing low-skilled wages and increasing supply of high-skilled employees could decrease high-skilled earnings (Chiswick, 2011). The wage effect is explained by companies expanding, investing, specialising, and becoming more productive as a result of increased migrant labour, and sharing these benefits with their employees. An increased supply of skilled labour relative to demand can reduce the wage premium for skilled labour and thereby reduce inequality.

⁴ StatsSA, 2021, "Erroneous reporting of undocumented migrants in SA"

A 2019 OECD study on the effects of immigration in South Africa found that in general, immigration did not displace native-born workers in the national labour market, but different outcomes were experienced in different provinces. The study analysed data from the 2001 and 2011 censuses and the third quarter of the South African Quarterly Labour Force Survey in 2012 and established that immigrant workers were frequently found in occupations with high growth rates (OECD, 2019). The study also noted that with more skilled non-immigrant labour entering the workforce, a declining number of immigrant labour was observed. Overall, the OECD study estimated that immigration raised per capita incomes by about 5% (OECD, 2019). This impact on the GDP is reportedly due to the high skills brought in by immigrant labour which contributes to increased productivity.

A more recent study by IFPRI in 2021, using National Treasury's SAGE model, finds a positive impact of skills immigration on South African labour markets as the model outcomes reveal that a 1% increase in skilled immigration would increase employment for South Africans with less than a secondary level education by 1.25%. Explaining the possible mechanisms for this positive impact on employment, the study points to the benefits of skilled labour for the wider economy (IFPRI, 2021, p. 12-13):

Inexperienced tertiary educated labor and experienced tertiary educated labor are plausibly complementary, not substitutes. For example, in the absence of an adequate supply of skilled and experienced persons, a firm is unlikely to be able to complete a large and complex engineering project no matter how many recent university graduates are hired. At the same time, the productivity of highly skilled and experienced workers is augmented if they can assign reasonably well-defined tasks to younger workers with skills but not much experience. This is the way that nearly all organizations in knowledge-based fields operate.

This implies that increasing the supply of skilled and experienced workers could increase potential growth by two mechanisms. First, it would loosen a binding constraint on growth broadly. Second, through the complementarities, it would pull in tertiary educated but inexperienced labor particularly rapidly.

Previous modelling by the National Treasury has suggested that increasing the availability of skilled labour could have the second-highest impact on economic growth after resolving the electricity supply shortfall. There is thus significant potential upside from increasing skilled immigration to the country.

Conversely, in countries where stricter immigration policies make the necessary skills too difficult for companies to obtain, offshoring becomes a substitute for immigration. A study on the US labour market by Glennon (2020) found that stricter regulations on the H-1B skilled immigration visa resulted in increased offshore employment for multinational companies.

This was achieved through either establishing new branches in alternative countries or increasing employment at an already-established branch. Nonetheless, the result is the potential loss of productivity within the intended host economy.

BROADER ECONOMIC EFFECTS ON THE HOST COUNTRY

High-skilled migrants also have the potential to positively impact an economy via fiscal channels (McConnell, Brue, and Macpherson, 2003). While high-skilled employees earn more, this means that they pay more tax to the host economy (Holen, 2009; Chiswick, 2011). Moreover, high-skilled workers receive fewer social services because shorter-term migrants do not receive the same welfare benefits from the state as long-term immigrants and the outcome is an overall positive fiscal effect resulting from short-term high-skilled immigration (Holen, 2009). These effects were visible in South African data as well. In 2011, the per-capita net fiscal contribution of immigrants was estimated to be between 17% and 27%, and this is largely attributed to the taxes paid by skilled immigrants who fill higher paying jobs (OECD, 2019). The IFPRI (2021) study further finds that a 1% net increase in skilled immigration would increase GDP by 1.2%.

Based on available global evidence and what has been studied in South Africa, attracting skilled labour into the country can have benefits for firms and non-immigrant populations with lower skill levels. It is critical to start unlocking these benefits as South Africa's economic growth and productivity have stagnated and the skills constraint is one of the causal factors for the low growth (Arndt, 2017). Ricardo Hausmann's multi-year research into South Africa's economy revealed that resolving the country's skills challenges should be a core focus as highly skilled professionals, who are required to support the growth of industries in decline (e.g. mining and manufacturing), are being recruited into high growth sectors, like finance (Hausmann, 2014). Hausman further suggests that using these highly skilled professionals in this manner can have devastating effects on job creation. For example, when a high-skilled job is taken away from manufacturing to contribute to banking, this has potential to destroy about 200 blue collar jobs (Hausmann, 2014). As such, attracting skilled professionals is an urgent priority for South Africa.

The sections below review existing work visa policies and processes, and makes recommendations on how skilled immigration could be better facilitated in support of national goals.

A REVIEW OF THE EXISTING POLICY AND REGULATORY FRAMEWORK FOR SKILLED MIGRATION

The policy and regulatory framework review investigates how effective the current visa system is in attracting the skills needed for economic growth while protecting and promoting the employment of South Africans. This investigation responds to the question, “how well does the existing visa policy & regulatory framework perform in enabling needed skills to enter the country?” It considers, in two parts, the key policy and regulatory processes informing different visa classes for attracting skills and investment, as well as the institutions responsible for implementation, and provides a perspective on where opportunities to strengthen governing policies and regulations exist to support the desired outcomes. Expert interviews including from the DHA and third-party immigration officials inform this section.

OVERVIEW OF SOUTH AFRICAN WORK VISA REGULATORY FRAMEWORKS AND POLICIES

The Immigration Act of 2002 and subsequent regulations, including the immigration regulations of 2014, lay the foundation for South Africa’s immigration policy. While driven by the Department of Home Affairs (DHA), the Act and its regulations recognise that successfully implementing the country’s immigration policy and achieving strategic ambitions requires collaboration across several government departments and entities. These departments include the Department of Employment and Labour (DEL), the Department of Higher Education and Training (DHET), the Department of Trade, Industry and Competition (DTIC), and the Department of

International Relations and Cooperation (DIRCO), as the key ministries.

The 2017 White Paper on International Migration for South Africa, developed by the DHA, is another key policy document informing South Africa’s approach to skilled immigration. The 2017 White Paper affirms that the vision is to embrace international migration to support the country’s development while guarding the country’s sovereignty, peace, and security. The White Paper goes further by recognising the importance of attracting and retaining skilled labour and investors in sustainable businesses which contribute to economic growth (DHA, 2017).

The recently published National Labour Migration Policy echoes the significance and value of attracting skilled workers into the country, particularly in a context where the country is losing a large proportion of its skilled workforce (e.g. health workers, engineers, and skilled artisans) (DEL, 2022). The National Labour Migration Policy does, however, acknowledge that South Africa has a large proportion of unskilled immigrants, and this has contributed to social tensions given the large number of unemployed South Africans. Therefore, the policy makes recommendations on easing the entry of skilled migrants while ensuring that immigration policies work to support employment (DEL, 2022).

This policy and regulatory framework review considers critical skills, general work, intracompany transfer, and business visas, as their primary role is to facilitate the entry of skilled immigrants into the country. Table 3, below, provides a description of each of these visa types and what each category requires from applicants.

Table 3: Requirements for acquiring skills related visa types in South Africa

Visa type	Description	Visa requirements ⁵	Key depts & gov entities
The critical skills visa	The critical skills visa is a combination of the previous Exceptional Skills and Quota Work visas (DHA, 2022). This visa is issued in accordance with the Critical Skills List, which identifies occupations in high demand, as well as scarce skills. The critical skills visa shall not be issued for a period exceeding 5 years.	In order to obtain this visa, applicants need to complete 22 requirements, which include: <ul style="list-style-type: none"> • A completed online application form • A medical and radiological reports not older than 6 months • A police clearance certificate issued by the police or security authority in each country where the applicant has resided for 12 months or longer after the age of 18 years, in respect of criminal records or the character of that applicant, not be older than six months at the time of its submission • Proof that the applicant falls within the critical skills category by specifically indicating the occupation/critical skill for which the application is being made. The occupation/critical skill must be on the Critical Skills List. • Proof of evaluation of the applicant’s foreign qualification by the South African Qualifications Authority (SAQA), translated by a sworn translator into one of the official languages of South Africa • Confirmation, in writing, from the professional body, council or board recognised by SAQA 	<ul style="list-style-type: none"> • DHA • DHET • SAQA • DIRCO

⁵ The number of requirements include personal documentation required from the applicant, as well as requirements related to the vacancy being applied for, such as proof of evaluation of the applicant’s qualifications and undertakings by the employer to take on certain responsibilities for the applicant. The number of requirements can increase for each of the visa types, should the applicant have a spouse or child that will be residing with them. We have endeavoured to highlight the key requirements.

Visa type	Description	Visa requirements ⁵	Key depts & gov entities
Intracompany visa	This is a work visa that is available to employees of multi-national companies. The visa is appropriate in cases where the company decides to transfer an existing employee in a key position from a foreign branch to a different branch, subsidiary, or an affiliate of that company in South Africa. The visa is valid for up to 4 years and is not renewable.	In order to obtain this visa, applicants must provide documents including: <ul style="list-style-type: none"> • A completed application form • A contract of employment with the company abroad (this needs to be valid for a period of not less than 6 months) • Letters from the company abroad the transfer and branch to which the employee is being transferred, and a letter from the South African Branch confirming the approval of the transfer • Proof of financial means until salaries can be paid out • Medical and radiological reports not older than 6 months • A Police clearance certificate issued by the police or security authority in each country where the applicant has resided for 12 months or longer after the age of 18 years, in respect of criminal records or the character of that applicant, not be older than six months at the time of its submission • A letter to note that: <ul style="list-style-type: none"> - The applicant shall be employed in the specific position for which the visa has been issued - The applicant will, at all times, comply with the provisions of the Act and the conditions of their visa and the company will immediately notify the DHA if the applicant refuses to comply with the provision of the Act or conditions of the visa - A plan is developed for the transfer of skills to a South African or permanent resident • A written note from the employer accepting responsibility for costs related to the deportation the applicant and their family, should it be necessary • A note from the employer indicating that they will ensure the applicant and their family members' passports are valid for the duration of their stay 	<ul style="list-style-type: none"> • DHA • DIRCO
The general work visa	General work visas are a temporary visa issued to foreign workers only in the event that it can be proven beyond reasonable doubt that South African citizens or permanent residents with the relevant qualifications, skills and experience are unable to be appointed (DHA, 2022). The general work visa is valid for the duration of the contract of employment; however, it may not exceed a period of 5 years.	<p>Prior to the application for the visa, the prospective employer must apply to the DEL for a certificate which confirms:</p> <ul style="list-style-type: none"> • That a diligent search was performed, and the employer is unable to find a suitable candidate with the relevant qualification, skills and experience • That the applicant's skills are in line with the job offer • That the salary and benefits of the applicant will not be inferior to the average salary and benefits of similar positions in South Africa • That the contract of employment, signed by both the employer and employee, is in line with South African labour standards and is conditional on the approval of the visa • Proof of evaluation of the applicant's foreign qualification by SAQA (translated by a sworn translator into one of the official languages of South Africa) • Full particulars of the employer, including proof of registration of the business with the CIPC, if applicable <p>The DEL makes use of the Employment Services of South Africa (ESSA) database to check for an available South African candidate that is suited to the job vacancy. Should they be unable to find a match, they will provide the required certificate to the employer and a recommendation to the DHA to approve the visa application. Once the employer receives the certificate from the DEL, the applicant must complete 9 steps, which include:</p> <ul style="list-style-type: none"> • Completed application form • Proof of financial means • A radiological report • A police clearance certificate from each country in which they have resided for 12 months or longer since the age of 18 years 	<ul style="list-style-type: none"> • DHA • DIRCO • DEL
Business visa	Business visas are awarded to non-South African Applicants who are contemplating or have invested in the economy by establishing a business or by investing in an existing business in the country. Business visas are issued for periods not exceeding 3 years at a time.	<p>Requirements differ slightly for existing⁶ or prospective investors. Prospective investors need to provide documents that include:</p> <ul style="list-style-type: none"> • A certificate issued by a chartered accountant registered with the South African Institute of Chartered Accountants or a professional accountant registered with the South African Institute of Professional Accountants to the effect that- <ul style="list-style-type: none"> - at least an amount in cash will invested as determined from time to time by the Minister in the DHA, after consultation with the Minister of DTIC; or - at least an amount in cash and a capital contribution - undertaking by the applicant that at least 60% of the total staff compliment to be employed in the operations of the business shall be South African citizens or permanent residents employed permanently. Proof of this is required within 12 months of the applicant receiving the visa • The applicant must register their business with the: <ul style="list-style-type: none"> - South African Revenue Service. - Unemployment Insurance Fund. - Compensation Fund for Occupational Injuries and Diseases. - Companies and Intellectual Properties Commission (CIPC); where legally required, and - Relevant professional body, board or council recognised by SAQA in • Applicants must also provide a recommendation letter from the DTIC regarding the feasibility of the business and the contribution to the national interest of the country. 	<ul style="list-style-type: none"> • DHA • DIRCO • DTIC

⁶ Existing investors will have already registered their businesses and need only to furnish the department with registration documents when reapplying. Additionally, investors must provide financial statements and proof of investments when reapplying for this visa.

OPPORTUNITIES TO STRENGTHEN THE WORK VISA POLICY

South Africa's Immigration Act and existing policies, including the 2017 White Paper, provide a robust framework for attracting skilled workers and investors to the country. However, this policy framework has not been translated into regulations and mechanisms that are effective in achieving this objective, as evidenced by the low number of skilled immigrants approved for work visas and the continued skills shortage in the economy. South Africa's visa system should aim to attract skilled immigrants and should be rational and predictable. The next section identifies areas where the existing policies are constrained in resolving South Africa's skills challenges, highlighting opportunities where improvements could be made.

Existing immigration policies have not worked well to attract skilled global talent

Data provided through the DHA's Visa Adjudication System (VAS) reveals that an average of 52% of all critical skills and 49% of all general work visas were rejected between 2014 and 2021 (DHA, 2022). Additionally, a large number of business visas were rejected between 2015 and 2021 as the average number of rejected visa applications is 68% over the same period. **This means that while a total of 1548 business visa applications were received from 2015 to 2021, only 325 of these applications were approved. Further, only 16 097 critical skills visas were approved out of a total application pool of 33 728 and 4 827 general work visa applications were approved out of 9 508 total applications.** These numbers suggest that while pathways exist for skilled professionals, the requirements to take up these opportunities are too onerous.

With significantly high chances of work visas being rejected, firms are not able to source talent to meet their immediate needs, skilled professionals are deterred, and the national skills shortage persists. The general work visa in particular requires firms to make a binding offer to an individual without any predictability regarding whether the application will be approved. Figures 8, 9 and 10 below illustrate the number of approved and rejected critical skills, general work, and business visas. This highlights that **about 25 298 visas have been approved, across the considered visa types, between 2014 to 2021, based on VAS data.**

Figure 8: Share of approved and rejected critical skills visa applications



Figure 9: Share of approved and rejected general work visa applications

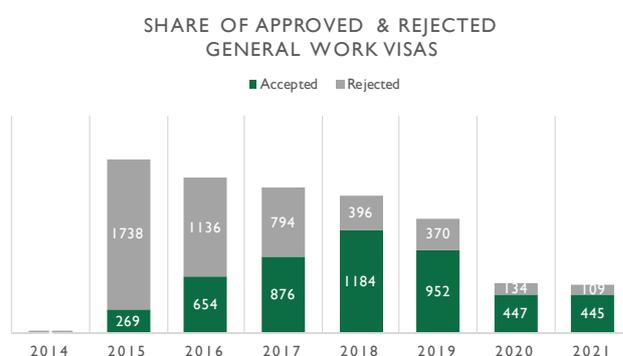
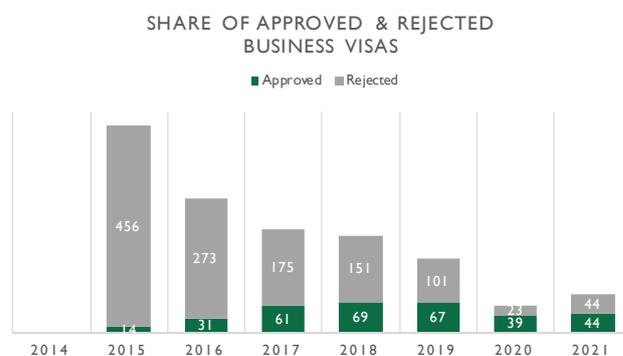
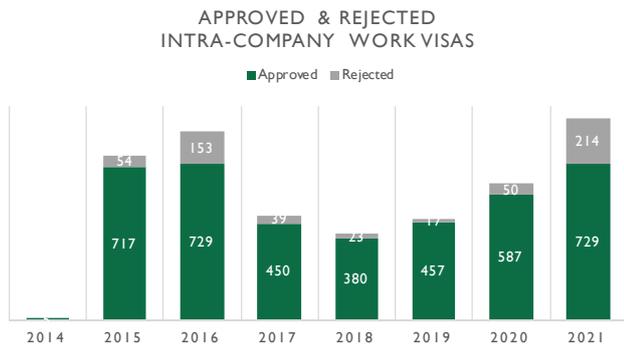


Figure 10: Share of approved and rejected business visa applications



It is also worthwhile to note that a larger proportion of intracompany transfer visas were approved between 2014 and 2021, when compared to the other visa categories that are relevant for this review – as indicated in Figure 11 below. This may suggest that those who have secured work at established enterprises, have a higher chance of being able to secure a work visa.

Figure 11: Share of approved and rejected intracompany transfer visa applications



There are a variety of reasons why the DHA has rejected applications for business, general work, intracompany transfer, and critical skills visas, and while there are overlaps, some reasons for rejections are specific to the visa class.

According to VAS data, a leading reason for application rejections for business visas in 2021 is missing, old or fraudulent recommendation letters from the DTIC, or applicants trying to change their visa status while in the country. While the rejection rates for a general work visa was the lowest for the period under review, the visa rejections in this category were largely driven by missing certificates, from the DEL, authorising the employment. The range of certificates to be provided include one indicating that despite a diligent search, employers had not been able to find suitable candidates locally; one indicating that the salary issued to the candidate is not inferior to the average remuneration for similar positions in South Africa; and another indicating that the applicant has the required qualifications and experience for the job.

The increase in intracompany transfer visa rejections in 2021 was largely due to requests to extend the applicant's stay on the visa, and in some instances, this was due to interpretations of Directive 15 of 2020 which granted visa extensions due to the pandemic. Other reasons for intracompany visa application rejections include missing documentation (e.g., a missing letter from the company describing a skills transfer plan for the duration of the transfer), and for trying to change the immigration status, like applying for a critical skills visa, while in the country. This reason for rejection reveals inconsistencies between the prescription of the law and its interpretation by adjudicating officials. While intracompany transfer visas are not renewable by law, section 10(6) of the Immigration Act provides that only holders of visitor visas and/or medical treatment visas may not change status and/or conditions in South Africa. There is no law preventing the holder of an intracompany transfer work visa from applying for a different visa type. An inconsistent application of the law creates confusion for applicants as it opens a window for adjudicators to reach different decisions on similar visa applications.

The number of rejected critical skills visas increased to about 67% in 2021, the highest for the period from 2014 to 2021. A significant number of critical skills visa rejections are related to applicants not submitting proof of memberships to an accredited professional body or not submitting SAQA verified qualifications. The DHA's reasons for rejecting visas also reveal issues with the definition of specific occupations. The definitions provided in the 2014 Critical Skills List, which informed the approvals and rejections in 2021, are not consistent with global professional realities. These discrepancies are apparent when considering "corporate general managers" and "general managers." The 2014 Critical Skills List prescribed that corporate general managers must have a qualification in business, economics, or management studies (DHA, 2014). The DHA also explained that corporate general managers should be appointed by a company board. These definitions are limiting, particularly in a global context, as people can work successfully, at a management level, in many professions while possessing a variety of academic qualifications.

The nature of some of these rejections exposes the department to many appeals, which strain its already limited capacity. Worse still, the nature of these rejections exposes the department to costly and time-consuming litigation which depletes already limited financial resources and mars the reputation of the department. Reducing room for interpretation in work visa policies would benefit both the state and the applicants by creating greater certainty around application outcomes, thus ensuring the success of policy's objective of bringing into the economy much-needed scarce skills.

Current mechanisms are not well suited to respond quickly and efficiently to private sector skills needs

One of the instruments South Africa uses to facilitate the entry of high skilled labour into the country is the Critical Skills List. This approach has inherent limitations (Rasool et al., 2012; Zhou, 2020). The list of occupations can easily become outdated because of the rapid change in skills needs. The result is that Critical Skills Lists fail to capture emerging needs for the economy. This challenge is compounded when Critical Skills Lists are not regularly updated.⁷ Insufficient and incomplete data exists to perfectly characterise the demand for skills in a complex economy and determine an accurate list. Furthermore, reliance on a rigid framework of occupations with specific definitions – with formal qualifications as the only evidence that an applicant matches an occupation on the list – provides little flexibility for employers. A firm may require an individual with highly specific experience, regardless of their qualification, and a catch-all list of occupations cannot cater for such unique circumstances. For South Africa, some of these limitations are seen when reviewing the reasons for visa rejections, as discussed in the previous section.

The general work visa offers an alternative pathway, but

⁷ The South African Critical Skills List was published in 2022 but, it was last updated in 2014.

employers need to perform a 'diligent search' for workers within the country and prove that they could not find a suitable match locally⁸. The requirement that employers should advertise the position in a print publication does not reflect current recruitment trends.

The DEL makes use of the Employment Services of South Africa (ESSA) database to check the availability of a suitable South African candidate to fill a job vacancy to determine whether a recommendation can be made to allow a company to hire a foreign national. A key challenge is that the current ESSA database is an incomplete, Excel spreadsheet-driven system which is manual in nature. This database consists of information in two parts. First, it includes details of work seekers, including their location, qualifications, and previous work experience. Second, when an employer wishes to apply for a visa for a foreign worker, they are required to first register the vacancy with ESSA.

This poses challenges as the data collected by the ESSA system is not granular and does not include the nuances and details of specific skills that each individual has acquired (as explained above). ESSA data might, for example, indicate that there is an "engineering technician" available in the country, but cannot say whether that individual has the mix of experience required to be suitable for the specific role in question. In addition, work seeker information is self-reported and is often incomplete as individuals do not provide detailed information about their work experience or the nature of their qualifications. This limits the matching capabilities of the system. The data can quickly become outdated, since it requires the individual who registered as a work-seeker to continuously update their profile. Furthermore, verifications on ESSA are performed at a national level to determine the availability of a given skill in the country as a whole, whereas the skill may be required in a specific location (so, for example, there may be an engineering technician available in Tshwane who is not willing to relocate, but not in George). Above all, even if the ESSA database were regularly updated and had full information to support general work visa applications, the structure and nature of unemployment in South Africa suggests that the skills that firms are looking to bring into the country are not likely to be found in the South African labour market.

It is clear that the current tools used to administer the work visa system are rigid, outmoded, ineffective, and serve as a barrier or impediment to skilled immigration. Thus, as suggested by the National Labour Migration Policy (2022), a clear shift is needed if the objective of attracting skills and investment is to be realised.

The policy does not consider visa alternatives that can also support economic growth

COVID-19 necessitated work-from-home policies and has encouraged remote working as a preferred livelihood strategy

for many more people, creating an opportunity for different countries to attract well-paid remote workers to their shores. A World Economic Forum survey found that 65% of remote workers did not want to return to the office primarily because they are able to save more and prefer not to commute (IPSOS, 2021). This is not a short-term trend and has been facilitated by the improvement and expansion of communications technology (including shared work platforms), and the growing number of people completing freelance work versus fulltime employment where they have to report to an office (Levels, 2015). As a result, a 2015 study estimated that 1 billion people would be remote workers by 2035 (Levels, 2015). Some of these remote workers want to travel, experience different cultures, and maintain their likely higher paying jobs in their native countries.

A visa policy for the information age should aim to seize opportunities presented by remote workers, as they are providing a boost to the tourism industry and support local industries when they pay for accommodation, food, entertainment and leisure, co-working spaces, and travel. This group of immigrants are also not looking for work and are usually looking for long-term but temporary host countries.

South Africa is well-positioned to take advantage of this global group of professionals by making amendments to immigration regulations. Amendments can be made to section 11 which provides for the visitors' visa, making prescription on the duration of stay for this visitors' visa, proof of income and sources of income from outside the country, medical insurance, and other criteria deemed necessary. Box 1 below provides examples of how other countries have made provisions for this visa category.

Box 1: Examples of Regulating for Remote-Work Visas in Mauritius and Dubai

Mauritius

Mauritius has made provisions for remote work through the "Premium Travel Visa". This visa is issued for up to 1 year. Key requirements for securing this visa include:

- Proof that the applicant works for themselves outside of Mauritius through providing documentation of their sources of income
- Proof of long-term stay plans (e.g. rental agreements)
- Proof of travel and health insurance

United Arab Emirates (UAE)

The UAE has also launched a "One-year virtual working programme" visa to allow remote workers and their families to stay in the country while working for companies not based in the UAE. If approved they will be able to open a local bank account, get a local phone number and internet access, and enrol their kids in school. To secure this visa, applicants must provide:

- Proof of a minimum income of US\$5,000 a month
- Submit proof of employment, previous month's pay slip, and three months banking statements
- Submit proof of medical insurance that is valid in the UAE
- Pay an application fee of US\$287

In addition to remote work visas, a need for a start-up visa has also been identified, given how high-growth start-ups have reshaped the global business environment. While countries have immigration channels for investors and skilled professionals,

⁸ Immigration Act of 2002.

these often don't fit the profile of start-up founders because some of these traditional visas require an employment contract or proven track record of professional success. Creating this visa class has potential to enhance the local innovation landscape and also bring in investment from high-potential businesses which can transform the local economic and/or social landscape.

Accommodating this visa class is essential because start-ups have gained attention for their potential to solve real world problems, absorb and accelerate the training of local talent and support economic growth (Patuzzi, 2019). This has become essential as the start-ups are seen as responsible for driving post COVID-19 economic growth. In the first two months of 2022, African start-ups raised about US\$ 1 billion, which is more than what was raised in 2021 (Jackson, 2022). These visas also facilitate innovation hubs, allowing spaces for immigrants and non-immigrants to engage and refine their ideas and approaches to develop better products. Box 2 below provides a view what the UK has prescribed when providing visas for innovators.

Box 2: Example of innovator visa requirements in the UK

The UK offers an innovator visa that allow people to establish innovative, viable, and scalable businesses, based on business ideas they have or have contributed to. Applications need to be supported by an endorsing body, established by the country's immigration laws. This visa type establishes that the innovator route is a route to settlement. The application is granted for a period of 3 years, which then opens options for settlement or renewal. As the UK uses a point system, points are also prescribed for the innovator visa. Additionally, required screening docs include:

- Proof of support by an endorsing body
- Show proof of investment funds
- Show proof of living funds for living in the country

Considering the existing channels that facilitate skilled immigration and investment in the country, the status quo is characterised by a policy that is unpredictable for both businesses and global talent and not well designed to attract the profile of candidate needed in South Africa. Further, regulatory requirements are not best suited to address the dual problem of the skills shortage and unemployment, and they not reflective of the changing global work environment that supports economic growth. It will be important to address these existing inefficiencies to support business competitiveness and encourage skill transfers to technically qualified local professionals with limited experience for available posts.

A REVIEW OF THE PROCESSES FOR ACQUIRING A WORK VISA

The following process review investigates the efficiency with which applications are processed by the DHA. It responds to the question, "how well are work visa processes optimised to support the DHA and its clients"? Table 4, below, outlines general steps that visa applicants take when applying for visas, allowing us to see where optimisation may be required.

Table 4: Standard work visa application structure

Activities	Tools	Major outputs	
Filing a Visa Application	<ul style="list-style-type: none"> • Completion of country visa specific application forms by applicants. • Preparing and gathering of visa application supporting documentation by applicants. • Paying relevant application fees. Submission of all completed visa application documents to Visa Application Centres Facilities. 	<ul style="list-style-type: none"> • Physical and online forms. • Online/digital payment tools. • Email and physical delivery. • Visa Application Centres Facilities (for assisted applications and regions with limited digital infrastructure and digital partnerships). 	<ul style="list-style-type: none"> • Accurately completed visa applications.
Document Assessment and Acceptance	<ul style="list-style-type: none"> • Conducting of completeness checks by embassy/ consular/ third-party agency officials. • Reviewing of supporting documents by embassy/ consular/ third-party agency officials. 	<ul style="list-style-type: none"> • Hard copy files. • Online/digital files. • Visa Application Centres Facilities (for assisted applications and regions with limited digital infrastructure and digital partnerships). 	<ul style="list-style-type: none"> • Visa applications and documentation are complete and meets the requirements of visa issuing authorities.
Visa Case Preparation	<ul style="list-style-type: none"> • Capturing of visa application data on systems embassy/ consular / third-party agency officials. • Scheduling of interview appointments with embassy/ consular/ third-party agency officials by applicants. 	<ul style="list-style-type: none"> • Visa application processing software. • Tailored CRM systems. • Scheduling systems. • Manual (telephone, email, and in-person) • Digital (Intuitive and website) 	<ul style="list-style-type: none"> • Interview appointments successfully scheduled. • Visa application data successfully captured and verified.
Biometrics Data Capturing & Verification	<ul style="list-style-type: none"> • Enrolling and capturing fingerprints and photographs of applicants by embassy/ consular/ third-party agency officials. 	<ul style="list-style-type: none"> • Cameras. • Fingerprint scanners. • Electronic signature pads. • Computers. 	<ul style="list-style-type: none"> • All biometric data is successfully captured and meets requirements of the visa issuing authorities.
Visa Application Interviews	<ul style="list-style-type: none"> • Facilitation of In-Person or Remote interviews by embassy/ consular/ third-party agency officials. 	<ul style="list-style-type: none"> • Visa Application Centres Facilities. • Computers and video cameras. 	<ul style="list-style-type: none"> • Successful completion of Visa application interviews with minimal backlogs.
Medical Check-ups	<ul style="list-style-type: none"> • Completion of a general medical exam by applicant. 	<ul style="list-style-type: none"> • Radiology and Laboratory diagnostics tools. 	<ul style="list-style-type: none"> • Successful completion & assessment checks.

	Activities	Tools	Major outputs
Visa approval and Collection	<ul style="list-style-type: none"> • Approving of compliant and complete visa application by the embassy/ consular/ third-party agency officials. • Receiving of Visa by applicant. 	<ul style="list-style-type: none"> • Visa application processing software. 	<ul style="list-style-type: none"> • Visa application successfully processed and closed.

The discussion below covers three areas, including:

- A description of existing processes from an applicant's perspective and identified efficiency bottlenecks;
- The DHA's standard operating procedures and identified process bottlenecks;
- Perspectives from South African firms from a survey of Business Leadership South Africa members; and
- Comparisons with peer countries also looking to attract top global talent.

This is done to ensure that the experiences of the core clients for work visas, South African businesses, are reflected, and importantly, to highlight bottlenecks that could be alleviated in the DHA's internal processes to facilitate efficiency gains.

AN APPLICANT'S PERSPECTIVE OF WORK VISA APPLICATION PROCESSES

The South African work visa process is a paper-based process that takes on average 22 weeks or 5.5 months to complete. This lead time is inclusive of the activities to collate all the documents that are required of the applicant by the DHA, to trigger the start of the application filing step. The document collation step is included in the overall lead time as it has a direct impact on the applicant experience of the South African work visa process. Figures 12, 13 and 14 illustrate the process for securing a work visa in South Africa from the applicant's perspective and identify bottlenecks along the process chain that negatively impact the user experience and threaten to reduce the benefits of skilled immigration to South Africa. These bottlenecks have been identified along the collation, filing and adjudication phases of the applications process.

Figure 12: Critical skills visa process review

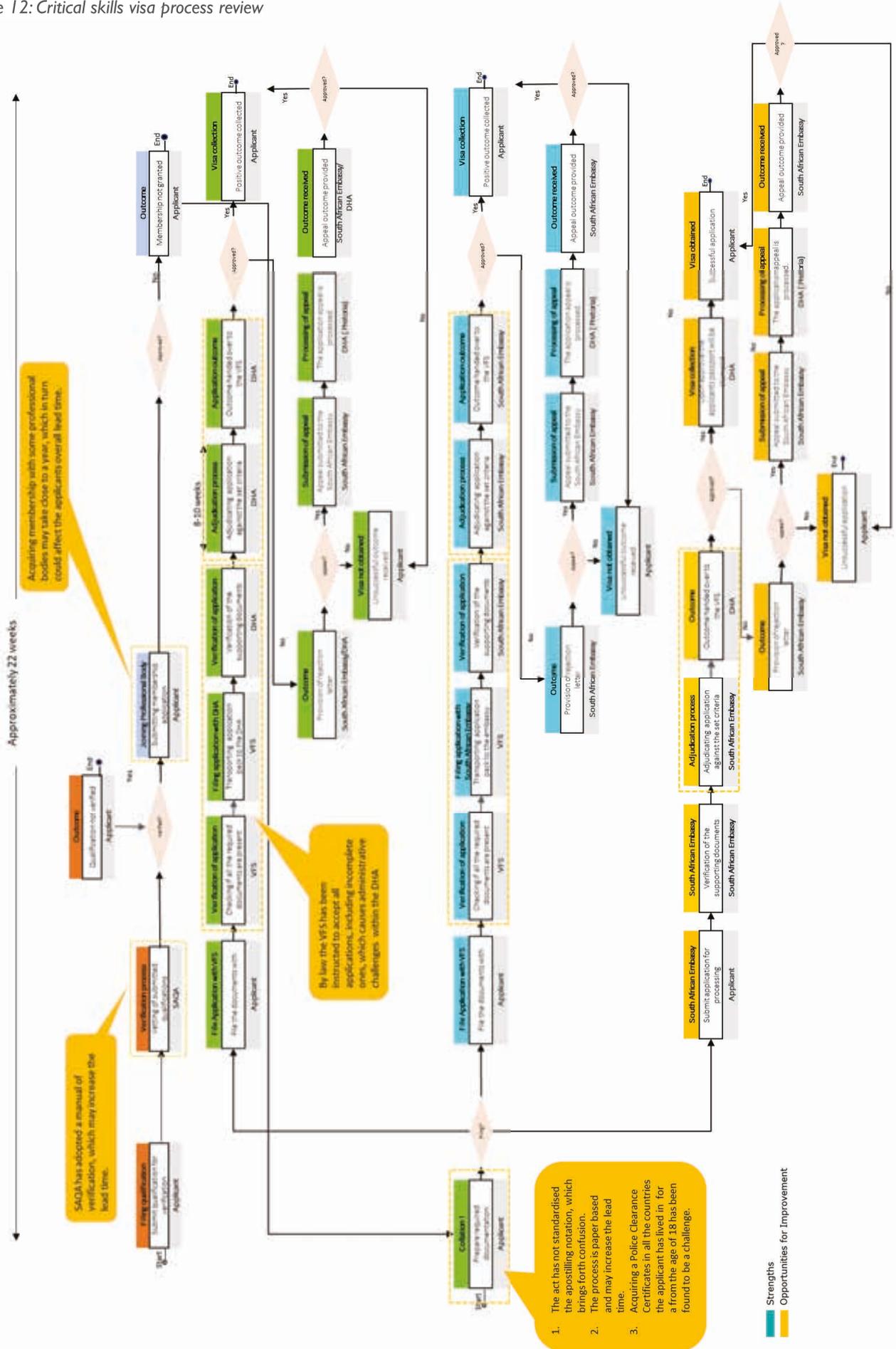


Figure 13: General work visa process review

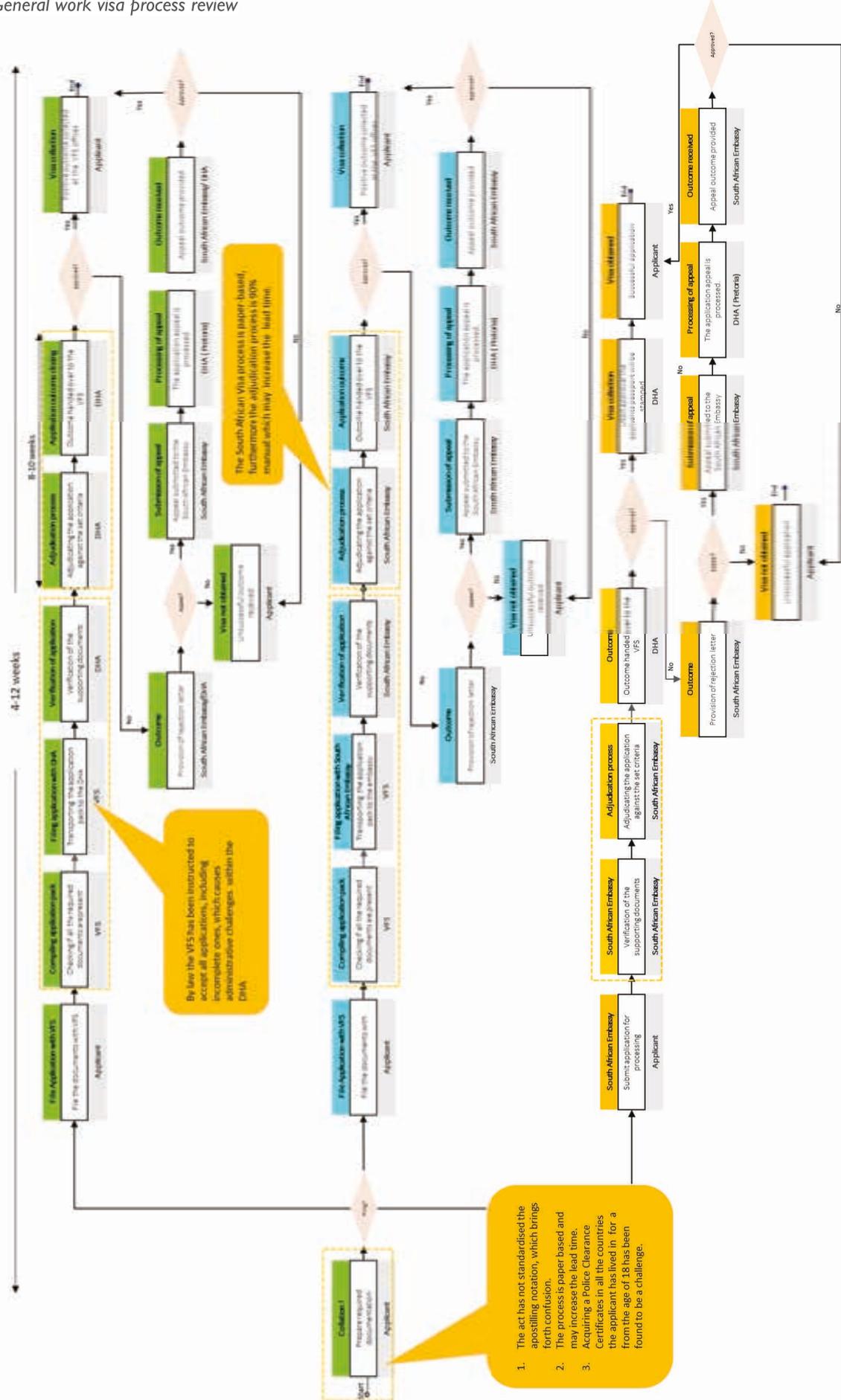
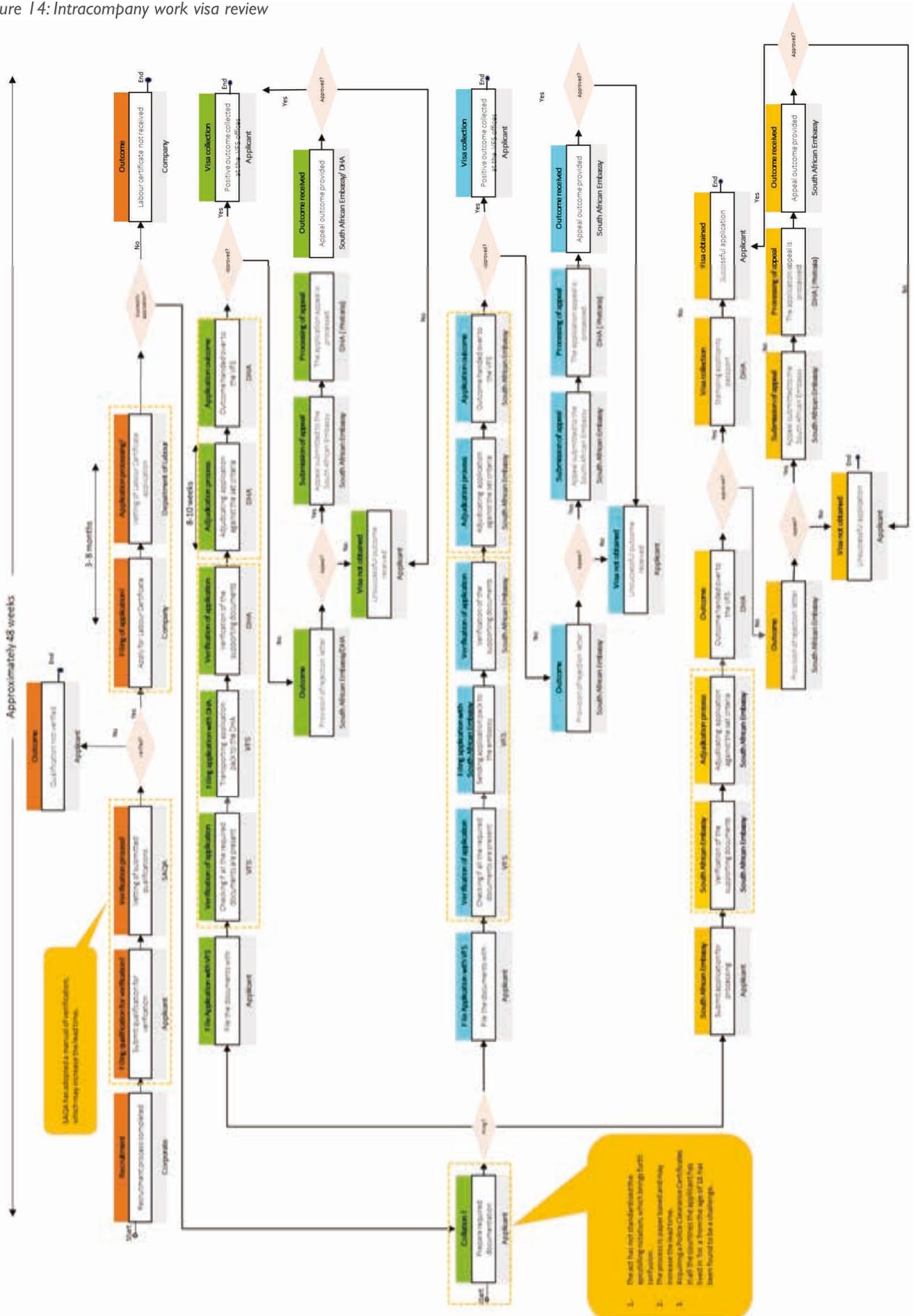


Figure 14: Intracompany work visa review



Document collation processes are not optimised for speed

South Africa requires an unusually extensive list of documents for most visa categories, and several requirements appear to be unnecessary or excessive compared to peer countries and global best practice.

South Africa's immigration policy should be designed to ensure that the country is able to compete for highly sought skilled professionals who are likely to have lived in different countries pursuing work and education opportunities. Some of the document requirements for work visa applicants, however, do not take cognizance of the typical profile of a skilled professional. For example, an applicant is required to obtain a police clearance from every country the applicant has lived in for one year or more since they were 18. While some degree of assurance is required to prevent criminals from entering the country, this particular requirement carries a significant administrative burden and may even be impossible in certain instances (for example, if a police clearance certificate is only obtainable by travelling to the country in question).

In a situation where an applicant obtained their qualification from a non-South African institution, the applicant's qualification would have to be evaluated by SAQA in order to secure a critical skill or a general work visa. The processing period varies from four weeks to four months, introducing lags in the application process. Another step in the process is to register for membership with a professional body that is recognised by SAQA. Each profession listed under the Critical Skills List has at least one professional body, council or board with which registration is required. Each professional body in turn has its own unique set of requirements for registering and some professional bodies have lengthy processes, which may take up to a year to complete.

As a general principle, requirements which are enforced elsewhere should not be duplicated through the visa application process. In several cases, such as in the medical field, registration or licensing by a professional body is a legal requirement to practice in South Africa. This is enforced separately with sanctions for non-compliance and need not be a part of the visa process. A visa issued could simply indicate as a condition that the successful applicant "must register" with the relevant body, rather than requiring proof of registration before adjudication.

In addition, a careful balance needs to be struck between maintaining sufficient controls to safeguard national security and prevent undesirable applicants from entering the country and deterring legitimate applicants or extending processing times unnecessarily. In fact, if application requirements are too complex or onerous, an unintended consequence could be that "bad" applicants evade detection while "good" applicants are stymied by the system. The quality of security checks and the ability to verify the authenticity of information provided is more important than the quantity of requirements.

Outdated and disparate technology systems reduce the department's ability to process visa applications efficiently

The current manual and paper-based visa system presents challenges for applicants and the DHA including an inability to apply online; inefficiencies in the transfer of documents between offices, including between missions abroad and Pretoria; and the high risk of errors. Additional disadvantages include inconsistency in data entry, which leaves room for errors when inputting the data; reduced ability to share information with the applicant on the current status of the application; and slower review times. Additionally, the DHA is faced with security challenges as there is a need to safeguard documents which can be easily mishandled, lost or damaged. A fire or other disaster could mean the loss of essential information, whereas digital files could be encrypted, backed up and store more safely.

An added benefit of digitisation is that applicants who are renewing their visas would be able to add to the information already on the system versus submitting new physical documents. Automation of key steps in the application process would enable "triaging" and risk assessment to reduce the burden of manual verification. An automated system could perform checks against multiple linked databases, flag high-risk applicants based on set criteria (e.g. location) and allow low-risk applicants to undergo a simpler verification process.

The DHA has also revealed that when applications are received through DIRCO, large, scanned files may be lost causing delays in the process. The internet speed at the DHA places a significant constraint on efficiently processing files. Many offices currently connect at low speeds – about 512Kbps compared to other institutions such as banks which have set a benchmark of 30Mbps in order to work efficiently in processing large volumes of data. This means that adjudication software works at slow speeds, loading files is time consuming, and working through the day's application load is often impossible. This, and the fact that many other Home Affairs functions, like issuing identity documents, rely on the slow internet speeds is the reason why phrases like "the system is down" have become well-known in relation to interrupted services from the department.

Another significant challenge is that there are disparate systems used within the DHA itself and also with collaborating departments, and the department often has very little or no control over any of these systems. Efforts are being made to develop a secure enterprise architecture framework by the new management of the department, but there is a need to attract the right skills to support ICT functions at the DHA. At the moment, the ICT staff complement is about 100 people – a tenth of what most banks have, given the significance and sensitivity of the data processed in these institutions daily (CIO Interview, 2022). This suggests an urgent need to review and strengthen the technological systems used to facilitate the work visa process to significantly reduce these challenges.

DHA STANDARD OPERATING PROCEDURES

The DHA is responsible for processing a large number of visas annually. In 2018, a year with the largest number of applications, the DHA had to process over 101 000 temporary visa applications⁹. The work visa categories considered in this review, included in Figure 15, are less than 10% of the visas processed by the DHA and critical skills visas make up the majority. Figure 16, below, shows how the immigration services branch is structured to process visa applications. Within this branch, the directorate of corporate accounts is responsible for enabling the movement of skilled workers to the country and has a staff of about 37¹⁰. It includes eight people who are primarily responsible for handling critical skills visas.

Figure 15: Total work visa applications

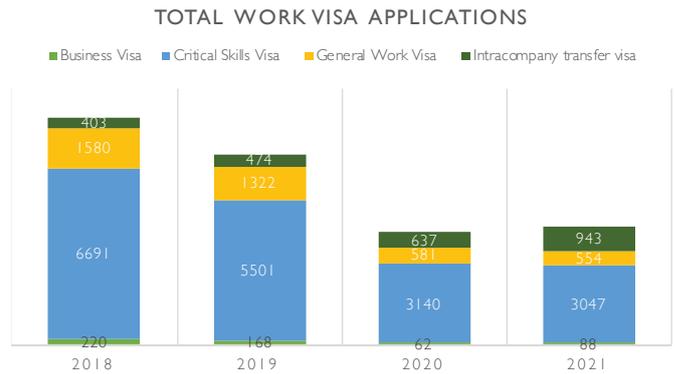
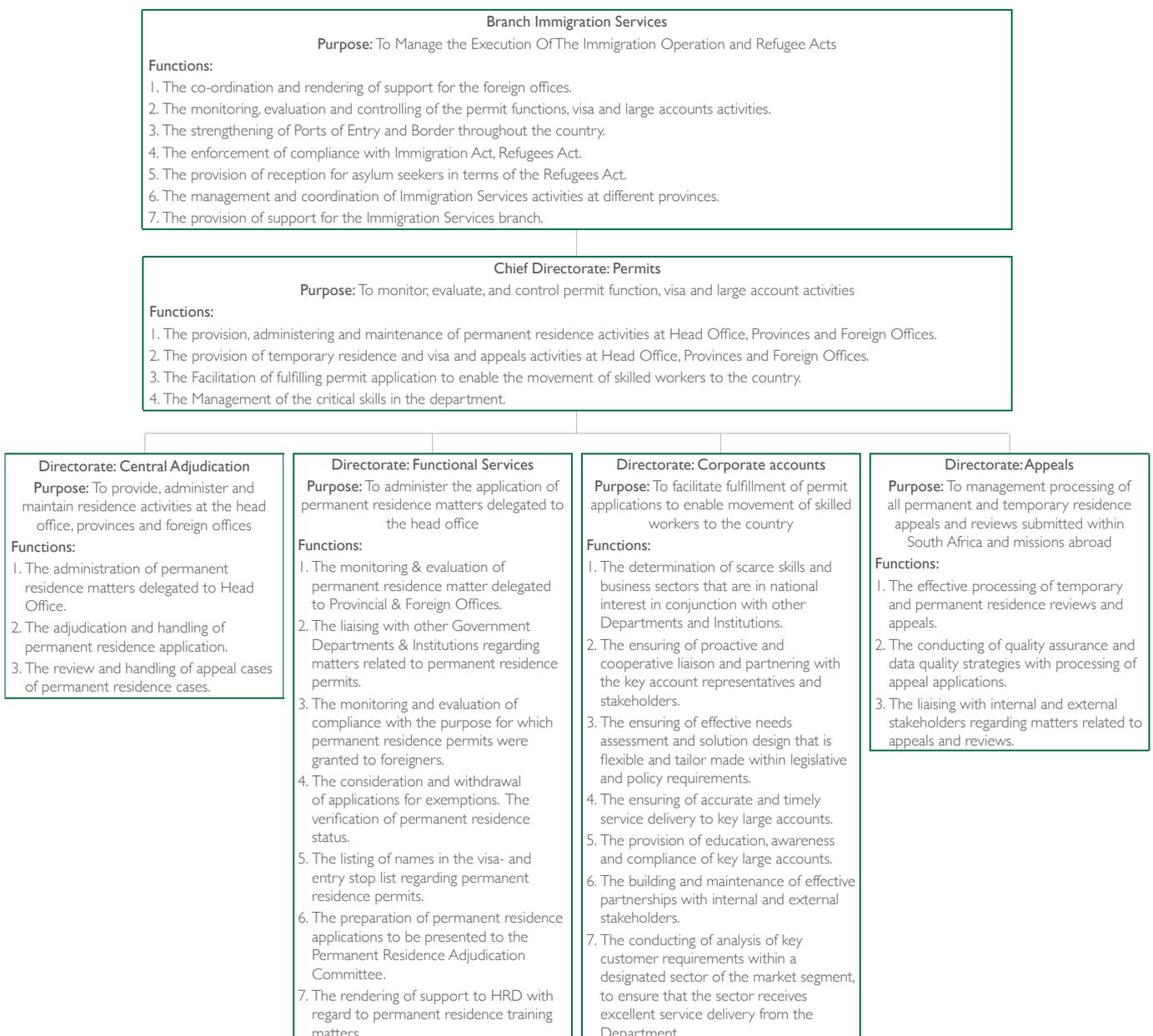


Figure 16: Structure of the DHA's immigration services department

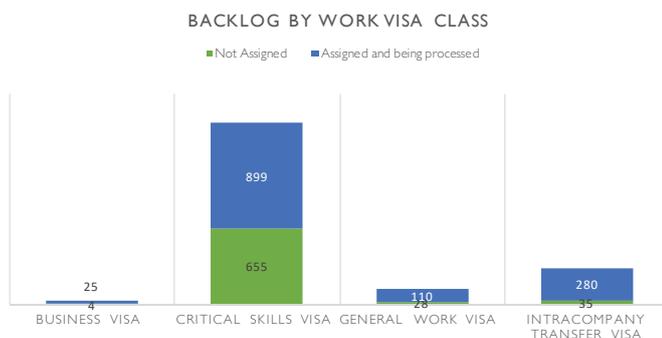


⁹ Temporary visas include medical visas, different categories of a visitor's visas, relative visas, retired person visas, study visas, exchange visas, and treaty visas.

¹⁰ At the moment, there are 16 vacant positions in the sub-directorate for large accounts.

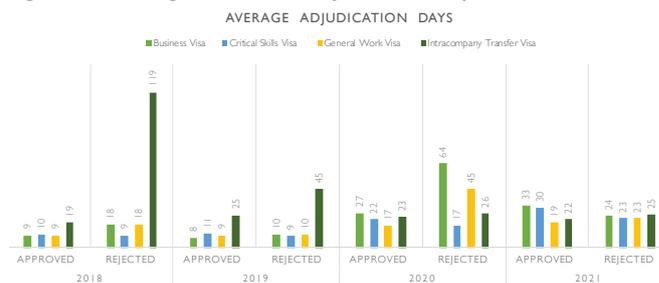
There have been delays in processing work visas in recent months, largely caused by the introduction of the Immigration Service Delegations which came into effect on 12 January 2022. These delegations withdrew the power of officials in South African missions abroad to process applications. Foreign missions received documents and sent them (manually) to the DHA head office in Pretoria for adjudication. This has meant that applications are referred to a team of six regional coordinators for processing and two senior officials from the DHA head office finalise adjudications. These changes contributed immensely to a backlog in the processing of visa applications totalling 2 036, as of July 27 2022. Figure 17 illustrates that the majority of visas have been assigned to adjudicators and are being processed. However, the backlog remains significant and the small number of officials expected to address this volume of applications is under severe strain. This move was reversed in a directive issued by the DHA on 1 September 2022 (de Wet, 2022).

Figure 17: Visa backlog by work visa class



The average adjudication time was 25 days for approved applications before the COVID-19 pandemic, which increased to 33 days for 2020 and 2021 (as illustrated in Figure 18). These figures show that visa processing is heavily affected by the long lead time taken to compile the required documents, including time taken to obtain certificates from other departments, such as DEL and agencies such as SAQA. DHA officials note, unhappily, that applicant frustrations with the visa process are often directed at the department even when other departments and agencies are at fault for delays. For example, as part of its role in processing general work visas, the DEL conducts checks to ensure that all the general work visa applications are genuine. The investigation DEL conducts sometimes include workplace visits to determine the validity of the general work visa application and whether the company complies with existing labour laws¹¹. Overall, despite the involvement of the DEL, accountability for the efficient management of the general work visa process resides with the DHA. It goes without saying that any delays that take place during the DEL phase of work visa application investigations adversely affects DHA work visa processing efficiency, and as a result, the department takes the blame for poor applicant experience.

Figure 18: Average number of adjudication days

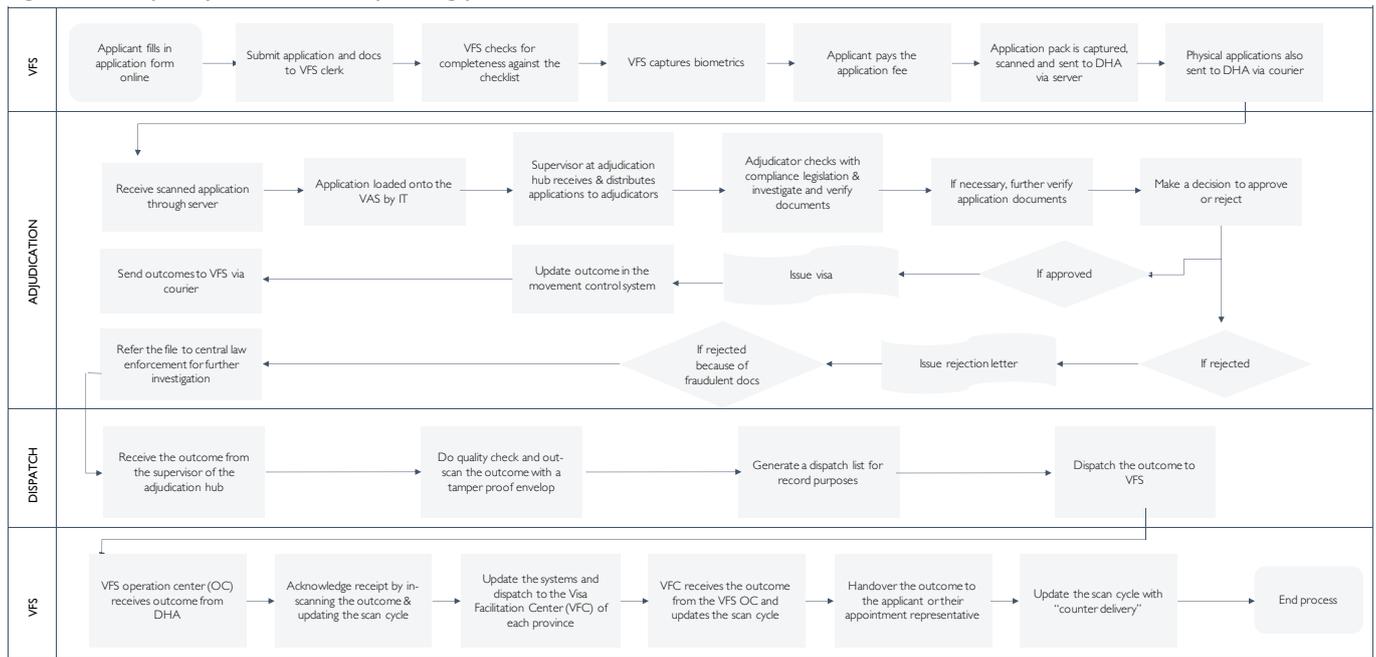


Processing times for rejected visa applications are generally longer and this is likely due to the adjudication procedures in the department. Key adjudication activities include verifying supporting documents (including communicating with stakeholders like SAQA, the South African Police, Department of Health, and others via phone or email) and investigating applicants (including checking if applicants have been placed on a visa stop list, checking for tampered documents, and verifying the existence of the company).

The department also recognises that adjudication procedures are labour intensive and costly (DHA, 2022). These procedures also mean that the department is dependent on other authorities when conducting its key functions. Figure 19 below provides a view of some of the activities included in the DHA's standard operating procedures (SOPs) for assessing temporary visas.

¹¹ This is in addition to the DEL's review of the ESSA database, investigating whether unemployed South Africans could fill the role.

Figure 19: Temporary visa standard operating procedures



In summary, the importance of having a process that professionally ensures the screening of nationals from other countries who enter South Africa cannot be overstated. In the face of the already agreed and urgent need to bring into the country individuals who possess requisite but scarce skills for boosting the economy, it is important the DHA is positioned to operate with utmost efficiency, untrammelled by an inordinate number of process snags and superfluous requirements. To be sure, the state has to consider, inter alia, key issues when deciding whether or not to allow non-nationals to come and live in South Africa. The sad reality is that, at present, the government’s core objective of attracting essential skills and facilitating investment is not being optimally achieved.

EVIDENCE FROM A SURVEY OF FIRMS

A survey was sent out to a number of Business Leadership South Africa (BLSA) member companies in order to understand the issues that these companies have been having with the current immigration policies and processes. The survey sought feedback on various issues pertaining to company needs for imported skilled labour and current migration policies and procedures for bringing into the country such skilled immigrants to work in a local company. Responses received from 49 companies give a good indication of how the big employers experience the work visa process. Five employers answered less than half of the questions in the survey questionnaire and were removed, leaving a total of 44 responses.

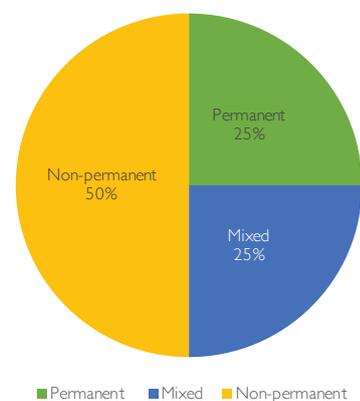
This section begins with a discussion of the types of visas being applied for and the reasons for using immigrant labour. Next, perceptions of the efficiency of the visa application process are considered using respondents’ answers regarding their experience with the process of applying for these

types of visas. Finally, companies’ ideas about moving forward and fixing inefficiencies in the system. See (Appendix B for the questionnaire.)

Reasons for skilled immigration and the type of visa applied for

Seventy-five (75) percent of companies in the sample employ foreign workers in non-permanent positions, such as fixed-term contracts, seasonal work, and international assignments of less than a five-year duration (Figure 20). Twenty-five (25) percent of companies stated that they only employed foreign employees in permanent positions, such as permanent contracts and international assignments of permanent or indetermined duration.

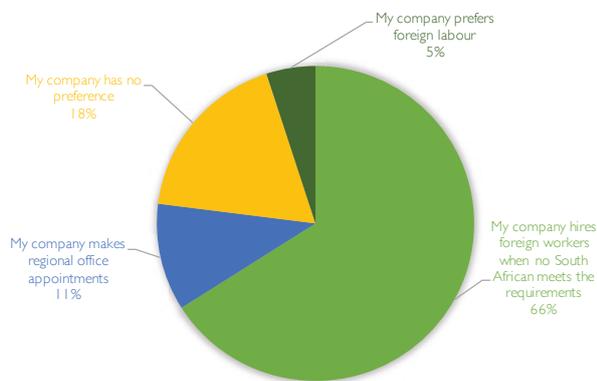
Figure 20: Typical duration of employment contracts of foreign workers



When asked what their reason was for employing foreign workers, only two of the 44 companies (about 5%) reported that they prefer foreign candidates when hiring workers, while

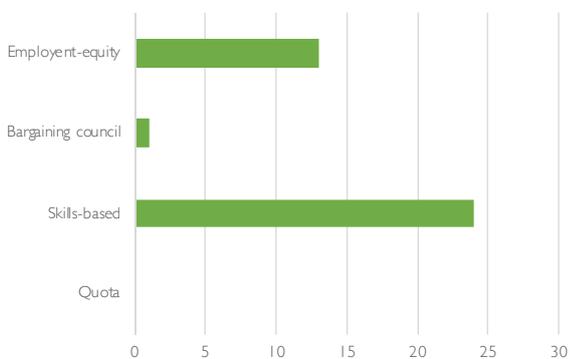
66% stated that they only hire foreign employees when there is no suitable South African candidate available. Eleven (11%) companies hired foreign workers for regional offices based in South Africa, which is not under the control of the management of the South African office.

Figure 21: Reasons for employing foreign labour



To ensure that South Africans are not prejudiced by the employment of foreign workers, 55% of companies indicated that they used skills-based recruitment policies and 30% indicated that they used employment-equity based policies (Figure 21). Reasons provided for companies that do not have a policy in place included were that they had exchange programmes for employees at various branches in different countries, whom they gave the opportunity to work abroad, including in South Africa, and that the hiring and decision-making processes are driven solely by business principles and costs. More specifically, one of these respondents indicated that “since total cost of employing expatriates is much higher than the cost of employing SA professionals, we employ expatriates only when really necessary. This very simple business-driven principle removes the need for any policies, or formal agreements”.

Figure 22: Measures to ensure SA workers are not prejudiced against by employment of foreign workers



One of the current measures put in place by the South African government, as a way of preventing the employment of non-South Africans where a South African may be available, is the requirement that employers advertise all vacancies in a national publication. When asked, only 25% of businesses stated that they believed it is an effective preventative method. Reasons

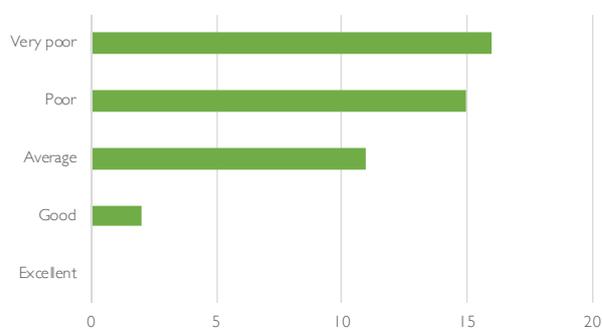
provided for why it is ineffective was that not many people read the national publications anymore, that, instead, most people use online recruitment platforms and media. Some companies said they have their own advertising and recruitment systems. The majority of businesses in the sample already have other policies in place (skills-based or employment-equity based), that ensured that South Africans were not prejudiced (Figure 22).

These responses indicate that most of these companies would prefer South African employees. However, the fact that they are still applying for foreign labour visas is indication that there is a skills gap that needs to be filled, for which there are currently no South African candidates. Although filling high-skilled occupations with South African labour is important, improving the education and skill set of South Africans to match the needs of these companies is the long-term process. For now, the existing skills gaps has to be filled through the use of an efficient work visa system.

Efficiency of work visa processes

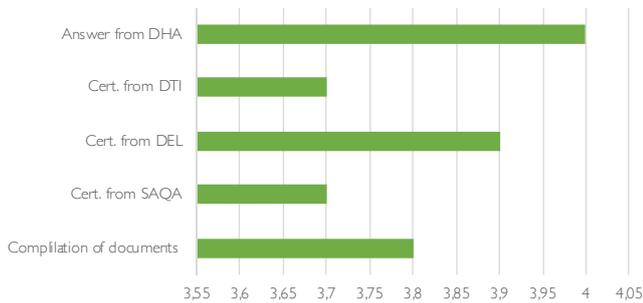
Survey respondents were asked about their perception of the efficacy of the visa process. The overall rating was “poor” (See Figure 23). The application process is seen as lengthy and complex and makes it difficult for them to timeously secure the skills and experience they need from abroad.

Figure 23: Perceived efficiency of the work visa application process



On process complexity, responses ranged from average to very difficult for all stages of the application process. The results are presented in Figure 24, where each level of difficulty is assigned a value from 1 to 5 corresponding to Very Easy, Easy, Average, Difficult, and Very Difficult, successively. The average rating of all components of the application was between 3.7 and 4, while the median rating of all but one of the parts of the application process was 4 (‘Difficult’). Obtaining the certificate from the DTIC did not have a median rating of ‘Difficult’ but was still rated above average difficulty (3.5). With regard to the steps involving the DEL, the DTIC and the DHA, there were no companies which had an easy or very easy experience.

Figure 24: Average difficulty of completing each component of the application process



Respondents were also asked how long each step of the visa application took on average. Average (represented by a bar) and median (represented by a dot) times for each component of the application process are presented in Figure 25¹². The average time taken is around 2 months for each of the five potential components of the application process. However, some of these components can be done simultaneously, for example, the compilation of documents and obtaining the certificate from SAQA. In the event of a general work visa, where the DEL component is included, this results in an estimated total average processing time of 6-8 months. In the event of a critical skills visa, this results in an estimated total average processing time of 4-6 months.

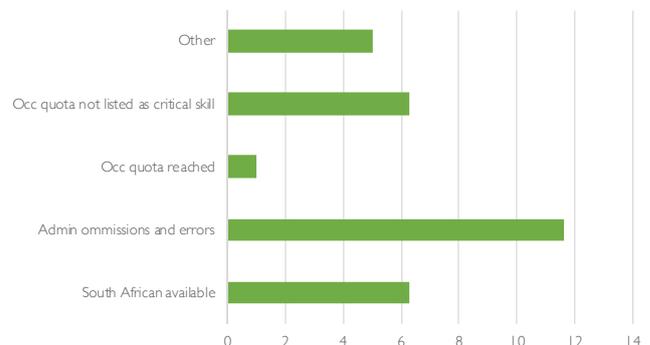
When compiling documents, two-in-five respondents (39.5%) reported an average of over two weeks but less than three months. One in ten (10.5%) respondents experienced an average time between 3 and 6 months, and 5.3% experienced an average time longer than six months. The other components of the application process appear to be more concentrated around the time periods of two weeks to one month, and 1-3 months. There appears to be a considerable delay in the process due to the additional requirements of the application, which are out of the control of the applicant. These are the acquisition of the certifications from the SAQA, the DEL and the DTIC. Following this, the application then needs to be submitted to the DHA, which is likely to take another 1 to 3 months according to respondents.

Figure 25: Average and median time taken for each component of the visa application¹³



Respondents were asked to suggest ways of improving the application process, and the common themes within responses include simplifying the process, moving the entire process to an online system and clearer communication from the DHA. This is with regard to giving feedback to applicants as to why the visa application was unsuccessful. For unsuccessful visa applications, only 55% of businesses stated that they knew why their application was unsuccessful. According to the survey results, about half (48%) of the companies aware of why the visa application was unsuccessful have reported that it was due to administrative omissions or errors in the documentation. Just over one quarter (26%) of the companies have been informed that a South African would be able to occupy the position, and just over one quarter (26%) have been unsuccessful due to the occupation not being listed as a critical skill when a critical skills visa has been applied for (Figure 26). One respondent reported that it was indicated that an occupation quota was reached, and five companies reported 'other' reasons. These include one candidate being unable to demonstrate competency, a waiver being required for the certificates needed and an incorrect Critical Skills List code used (this was later rectified, and the visa was granted).

Figure 26: Known reasons for visa application rejections



¹² Responses were grouped into time categories due to the differing nature of responses. Some respondents responded with an exact number of days, while others gave less precise answers such as a week, or up to a month, for example, Table C.1 in the Appendix presents the frequency of respondents' answers in each time category. The midpoint of each time category was used to calculate averages.

¹³ Note: The average is calculated using the mid-point of each time category. For a period greater than 6 months, a full year is assumed to be the endpoint of the range (that is, if a response was that a component took longer than 6 months, we took this to mean it took between 6 months and a year for the purpose of our calculation). A small number of respondents did not respond to the question for each component or indicated that they did not know how long the step/component took as they outsource the application admin or require the employee to complete that component of the application themselves. Averages and medians are calculated only for the responses that were actually received.

Surveyed members of BLSA, who are large employers in South Africa, are dissatisfied with the current work visa system as they view it as inefficient. As the direct beneficiaries of skills visas, the views of business stress that there is room to improve the current system to better serve its purpose. This is crucial, especially in an environment where the majority have indicated that they are working to preserve jobs for South Africans where the opportunity exists.

GLOBAL PERSPECTIVES

In addressing the challenges that have been highlighted in the processing and regulatory framework governing work visas, it is essential to look to what has worked for other countries. This section reviews approaches different countries have used to have more effective work visa policies and processes, and points out lessons that are applicable for South Africa.

LESSONS ON OPTIMISING PROCESS

South Africa's work visa processes are slow and complex, even in comparison to other countries, and this is a constraint to attracting much needed skills. Our review compares South Africa's work visa processes with two peers on the continent (Kenya and Nigeria) and Singapore – a country that has performed well in attracting top talent to support thriving industries. In selecting peer countries, the review also prioritised countries with experience in processing a large number of visas. Kenya and Nigeria match this criteria as there are about 1 million and 1.5 million migrants in Kenya and Nigeria respectively (IOM, 2020). Box 3 below provides an overview of visa processes in Kenya, Nigeria, and Singapore.

Box 3: An overview of visa processes in Kenya, Nigeria and Singapore

Kenya

Overview

Kenya recently reached lower-middle income status and is amongst the fastest growing economies on the African continent. It consists of a diverse set of industries that all contribute to a rapidly developing economy. Kenya prioritises companies in certain sectors such as telecommunications, information and communication technology, oil and gas exploration, and production. As a result, more Work Visas are obtained in these sectors. This also creates more predictability for businesses and applicants. The application process does also take time – up to 3 months for longer term visas.

Work Visa Types

Kenya has 5 types of Work Visas which can be applied for, including:

- **Special Pass**

This is an entry visa that is valid for 3 months and is renewable once.

- **Class C – Prescribed profession permit**

This permit is for medical professionals, legal professionals, architects, engineers, accountants, and Information Communication Technology (ICT) experts. Prescribed professions are those that require formal registration with a professional body or Institute.

- **Class D – Employment permit**

This permit is intended for those who are moving to Kenya for a specific job for an employer. It is intended for expats who have skills and qualifications that may not be available in the local workforce and that will benefit the country.

- **Class G – Specific trade, business, or consultancy permit**

This permit is issued to those looking to invest in a specific trade or set up a business or consultancy. Applicants will need extensive documentation for the Class G permit, pertaining to the details of the initiative and its sustainability.

- **Permanent residence for work permit holders**

This is for expats who have held work permits for at least 7 years and have resided continuously in Kenya for 3 years, labelled as Category B.

Process Overview

- This visa can be applied for on the online Electronic Foreign National Service (EFNS) portal through completing a form and uploading the relevant documents
- Relevant documents include electronic copies of a passport, passport photos and documents related to the purpose of travel
- Payment can be done online after application has been submitted
- Special pass visas are entirely at the discretion of the principal admission officer

Nigeria

Nigeria is one of the largest economies in Africa and boasts a wealth of developed industries for which it requires skilled labour to grow the economy and expand production. A new visa policy was passed in 2020 as part of the country's reform programme under the National Immigration Service's Borders Strategy 2019-2023. This policy has increased the number of visa classes from 6 to 79. The policy change has been implemented with the aim to better connect visas to the purposes of travel and to attract investors, skilled labour, promote trade and tourism. A new border management information system, coupled with improved technology and automation have been deployed to improve security and transparency. Biometric visas have also been introduced.

Work Visa Types

Nigeria has 2 categories of work visas which can be applied for, including:

- **Temporary Residence Visas**

This is a two-year renewable work visa. It is classified as the Employment (Expatriate – Free Zone) Visa – R3A, for Expatriates who obtain employment within free zones in Nigeria. It can also be classified as the Employment (Expatriate) Visa – R2A, which is for people who wish to take up employment in Nigeria, based on an expatriate quota of the company.

- **Permanent Residence Visa**

This is a multiple entry work permit that is valid for 5 years indefinitely. It is classified as the Highly Skilled Immigrant Visa – N4A and is intended for foreign nationals who possess knowledge, abilities, and technical knowhow to be classified as highly skilled in the areas considered relevant to the current and future needs of the Nigerian economy.

Process Overview (Temporary & Permanent Residence Visa)

- The application is completed and submitted online on the Nigeria Immigration Portal for the subject to regulation (STR) application
- Online payment is made on this portal
- Documents such as valid passport, completed visitors pass form, passport photos and letter of approval from Comptroller General, Nigeria Immigration Service are required
- There is a two-step in-person process which follows the STR application once the applicant has arrived in Nigeria
- A sealed brown envelope is obtained from the Nigerian embassy in the foreign country. This is presented to the immigration office in Nigeria, along with the application form and passport

Singapore

Singapore provides one of the world's most business-friendly regulatory environment for local entrepreneurs and is ranked number 2 for Ease of Doing Business by The World Bank (2021). Singapore was ranked number 1 in 2019 for the world's most competitive economies by the World Economic Forum (WEF). Difficulty in filling job vacancies remains the challenge for the Singaporean government with 27% of job vacancies unfilled for six months or more in 2020 (Ministry of Manpower, 2021). Employers commonly cited the lack of necessary skills and work experience, especially in positions where incumbents rely on specialised technical knowledge such as software, systems analysts, web and multimedia developers. In response to the difficulty in filling specialised roles, the Singaporean government has made the process of obtaining a work visa hugely advanced in the use of technology with the work visa application being completely online to maintain a skilled foreign workforce to complement the local workforce.

Work Visas Types

Singapore has 4 types of Work Visas which can be applied for, including:

- **Employment Pass**

The Employment Pass (EP) is a work pass for foreign professionals, working in managerial, executive and/or specialised roles. The EP holder should earn at least R 51 388 (SDG 4,500) a month and have recognised qualifications (preferably at least a bachelor's degree qualification).

- **S Pass**

Foreign mid-level skilled workers who wish to work in Singapore may apply for an S Pass. Such individuals must earn a fixed monthly salary of at least R28 550 (SGD 2 500) and should have a recognised qualification (degree or diploma).

- **Personalised Employment Pass**

The Personalised Employment Pass (PEP) is for high-earning Employment Pass holders and overseas foreign professionals. The Personalised Employment Pass does not require the person to be employed by or tied to a particular company to qualify.

- **Tech Pass**

The Tech Pass is aimed at attracting the very best of international Information, Communication and Technology talent/professionals to work across different companies or to start companies on their own in Singapore. This pass is different from existing employment passes as it does not require the person to be employed by or tied to a particular company to qualify.

Process Overview

- Submit application
- Prepare for workers' arrival and completion of the Medicals
- Register fingerprints and Photo after the employment pass is issued
- Receive the Card

Our comparison looks at five dimensions that inform how skilled global talent experience a country's visa process. These dimensions include factors informing the segmentation into separate visa type; documents required; filing of applications; adjudication of applications; and processing times. The results, as indicated by Table 5, revealed that South Africa has the longest end-to-end processing times for work visas when compared to its peers, where a work visa can take about 48 weeks or longer to process across all entities. This is about four times longer than processing visas of similar types in Kenya (maximum 12 weeks), Nigeria (maximum 8 weeks), and Singapore (maximum 8 weeks). Additionally, while South Africa has a comparable number of visa classes that govern skilled immigration and these classes are segmented in similar ways as peer countries, significant differences are observed in document collation, filing and adjudications, which impact processing times.

For document collation, comparator countries appear to have fewer prerequisite activities for the applicant to follow. Additionally, countries appear to limit the number of documents required to screen work visa applicants and the number of ministries involved in processing work visas. As countries

are granting entry to people who have been identified and selected by leading employers, they largely place the burden of reviewing skills and qualifications, and assurances of signing-up with professional bodies on the employer. Agencies that drive immigration focus on administrative duties and secure declarations from registered local companies and the candidates for other key considerations (e.g. information on criminal histories). This reduces the number of departments that are implicated in visa application processes, saving the state from exerting effort while employers are better placed to perform these functions. Finally, other documents, like medical information, are only required only if the application has been successful in the first instance, given this would be void if the application is rejected. This has been successfully implemented in Singapore.

Filing applications online also offers opportunities to speed application processing. South Africa's work visa processing is only partially online. Applicants can download the application form and make their visa appointment and payments online, but the bulk of the process occurs in person with applicants still needing to take all documentation to the physical appointment. The benefits of digitising work visa applications are demonstrated by Nigeria's case, where a new visa policy was passed in 2020 as part of the country's reform programme under the National Immigration Service's Borders Strategy 2019-2023. This was coupled with technology improvements which have been deployed to improve security and transparency, allowing the country to significantly reduce work visa processing times.

An eVisa system – in which the entire process is completed online – can provide certain benefits. For example, Moldova launched an e-visa system in 2014 and it resulted in a number of benefits to the government, which included the complete removal of costs related to visa stickers, between 20 and 24 working days' worth of time saved on administrative process such as scheduling of appointments and scanning applicants' documentation, and an increase in the annual consular fees collected (Cucos, 2015). Applicants also benefitted by saving transport and time costs related to the application process. However, according to Cucos (2015), the main concerns of countries when considering the shift to e-visas is identity theft, forgery of documents, no collection of biometric data and poor ICT infrastructure. While the issues of identity theft and forgery are easier to solve, the collection of biometric data and ICT infrastructure would require working with other countries where the application for the South African visa would be taking place.

The South African work visa adjudication process is 90% manual with limited visibility on the status of the application for applicants. Singapore and Nigeria also benefit from automated adjudication processes, stressing the need for leveraging technology in visa processes. See Appendix E for added details on visa processing in other countries.

Table 5: Global comparison of work visa processes

Comparison dimension	Comparison Indicator	South Africa	Kenya	Nigeria	Singapore
Visa types	Visa descriptions	As detailed in previous sections above	Kenya generally offers four types of work visas, including the Class C; Class G; and a permanent residence work permit holder for expats who have lived in Kenya for 7 years.	Nigeria offers three types of work visas namely; R3A, R2A and the N4A.	Singapore has 4 types of WorkVisas which can be applied for, including an employment pass; S Pass; Personalised Employment Pass; and a Tech pass.
Segmentation	Visa segmentation	<ul style="list-style-type: none"> Skills needed by companies Duration of stay 	<ul style="list-style-type: none"> Skills needed by companies Duration of stay 	<ul style="list-style-type: none"> Economic trade zones Duration of stay Type and level of skills required 	<ul style="list-style-type: none"> Economic trade zones Duration of stay Skills needed by companies
Collation	Prerequisite activities	<ul style="list-style-type: none"> Validation of foreign qualification with SAQA (critical skills & general work visa); application of membership with an applicable professional body, and labour certificate application with the DEL (general work) 	<ul style="list-style-type: none"> Providing the Immigration office with the details of the applicant's Kenyan understudy (the person who is being trained to assume the job responsibilities over time) 	<ul style="list-style-type: none"> Application of an Expatriate quota from the Nigerian Immigration Service (NIS) 	<ul style="list-style-type: none"> Healthcare professionals, lawyers, football players and coaches need to join an appropriate Singaporean professional body.
	Government entities	<ul style="list-style-type: none"> Four government entities with responsibilities in processing applications including DEL, SAQA, DHA, DIRCO, South African Professional Bodies, Police Departments of relevant countries. 	<ul style="list-style-type: none"> Two government entities namely: the Directorate of Immigration Services and the National Security Intelligence Service. 	<ul style="list-style-type: none"> One government entity namely the Nigeria Immigration Service. 	<ul style="list-style-type: none"> One government entity namely the Ministry of Manpower (MOM).
	Mandatory documents	<ul style="list-style-type: none"> Requires documents that no other country requests: <ul style="list-style-type: none"> - A radiological report (not older than 6 months). - Original Police clearance certificate in each country where the applicant resided for 12 months or more after age 18 - Yellow-fever certificate. - Marriage certificate or in the case of a foreign spousal relationship The affidavit where a spousal relationship to a South African resident & documentation proving cohabitation. Proof of a union recognised 	<ul style="list-style-type: none"> Requires documents that no other country requests: <ul style="list-style-type: none"> - The appointed understudy's personal documents (identity documents, curriculum vitae, academic certificate, and an employment contract) 	<ul style="list-style-type: none"> Requires documents that no other country requests: <ul style="list-style-type: none"> - Letter of introduction/letter indicating support from a relevant free trade zone authority 	<ul style="list-style-type: none"> Requires documents that no other country requests: <ul style="list-style-type: none"> - Innovators must have an IP registration with an approved National IP Institution (applicable for specialised roles only) - Documents proving membership with an accredited professional body (where applicable, e.g. health)
Filing	Application costs	<ul style="list-style-type: none"> VFS service Fee: Application fee ~R1 520 - R3 070 	<ul style="list-style-type: none"> VFS service Fee: Class D – Employment Permit – R1 300 once-off; ~R27 000 per year; upon renewal; Special Pass ~ R2014; Class C – Prescribed Profession Permit – R15 000 	<ul style="list-style-type: none"> VFS service Fee range: R384 – R7 260 	<ul style="list-style-type: none"> Application fee range: R1 076 – R2 486
	Submission channels	<ul style="list-style-type: none"> South African Embassy (paper-based) VFS South Africa (paper-based & online) VFS Global (paper-based) 	<ul style="list-style-type: none"> Electronic Foreign National Service (Paper based and online platform) 	<ul style="list-style-type: none"> Nigeria Immigration Service 	<ul style="list-style-type: none"> The Ministry of Manpower (Online platform)
Adjudication	Document verification	<ul style="list-style-type: none"> DHA with input from other depts and gov entities 	<ul style="list-style-type: none"> Directorate of Immigration Services (DIS) Employer 	<ul style="list-style-type: none"> NIS and Employer 	<ul style="list-style-type: none"> MoM verifies tax & income documents & Employers
	Adjudication methods	<ul style="list-style-type: none"> 90% manual adjudication process conducted by DHA 	<ul style="list-style-type: none"> Committee deliberation DIS approves 	<ul style="list-style-type: none"> Automated adjudication process 	<ul style="list-style-type: none"> Electronic processing of application and adjudication
Processing time	End-to-end process lead time	<ul style="list-style-type: none"> Intracompany transfer visa (4-12 weeks) General work visa (~48 weeks) Critical skills visa (~22 weeks) 	<ul style="list-style-type: none"> Special Pass (3-4 weeks) Class C (10-12 weeks) Class D (10-12 weeks) Permanent Residence for Work Permit Holders (8-12 weeks) 	<ul style="list-style-type: none"> R3A (6-8 weeks) R2A (6-8 weeks) N4A (6-8 weeks) 	<ul style="list-style-type: none"> The Employment Pass (2-4 weeks) S Pass (3-4 weeks) Personalised Employment (~8 weeks) Tech Pass (~8 weeks)

The selected case studies highlight areas where the DHA can look to strengthen work visa process and these are in document collation, application filing, and adjudication processes. In addition to this, it is important that what is required of applicants is clear and easy to comply with. Singapore best demonstrates this as application processes are advanced in their use of technology; the roles of employers, applicants, and government officials are clearly articulated; and only key documents are required at specific times during the application process. These methods of facilitating work visas provide ideas on how South Africa can optimise its work visa processes, reducing processing times.

LESSONS ON STRENGTHENING POLICY

South Africa's work visa policies provide a strong foundation for enabling skills to enter the country but, this review has shown that the unpredictable nature of visa adjudications reduces how well existing policies can serve their intended function. Other countries have contended with these challenges and have introduced policies which increase predictability for applicants and business while managing for different risks presented by immigration. Trusted employer schemes and a points-based visa system allow countries to more easily attract skills and manage immigration, particularly when they process high volumes of applications. This review provides case studies from Australia and the United Kingdom, who apply a trusted employer scheme and a points-based system respectively, to draw lessons for South Africa.

Australia

Australia has a system in which any business in Australia that wants to sponsor a foreign applicant for a work visa has to have a company sponsorship status with the government. The business needs to show that it has the financial strength to employ a foreign national, that it runs training programmes for Australian citizens and that it is a good corporate citizen. Within this programme a business can also qualify for priority processing and is allocated up to 20 positions a year when business and prospective employee conditions are met. An example of how this is determined is set out in Box 4 below.

Box 4: Work visa procedures in Australia

In order of priority, processing skilled migration visa applications is determined by any of the following:

- Employer Sponsored or Regional Sponsored where the nominated occupation is specified in the Priority Migration Skilled Occupation List (PMSOL)
- Employer Sponsored or Regional Sponsored where the nominated occupation is an Agriculture Sector Occupation
- The applicant is nominated by an employer under a Global Talent Employer Sponsored Agreement
- All applications identified through the Global Talent Programme
- Investor stream
- Occupations within a critical sector
- Employer Sponsored or Regional Sponsored by an employer who is a party to a labour agreement under a Designated Area Migration Agreement
- Employer Sponsored Regional (Provisional), where the applicant is nominated by an approved sponsor with Accredited Status or nominated by a labour agreement not mentioned in priorities above
- Employer Sponsored, where the applicant is nominated by an approved sponsor with Accredited Status, or nominated by a party to a labour agreement not mentioned in priorities mentioned above

The Australian government determined that the most effective approach was to reward "good" or trusted users of the programme with lower document thresholds and faster processing times. The most important incentive for a business is quick processing or faster mobilisation of staff, allowing the business to start earning revenue from the services of the foreign employee earlier.

This system places a far greater burden of compliance on the employer rather than the state, while putting in place sanctions for non-compliance – in other words, shifting the risk from the state to the employer who is best able to manage it. Verification of employers through the sponsorship programme means that only bona fide businesses which have demonstrated their capacity to abide by the law are included. Conversely, if a business is shown to have transgressed the rules (e.g. through an audit), they are disallowed from bringing a foreign national into Australia for 3 years and the directors are fined in their personal capacity or they are expelled from the programme permanently.

Australia also offers an investor visa programme as well as 10 future sector-based visa programmes for future growth areas (e.g. the space industry and fintech). The visa class for future target sectors is designed to respond to the challenges presented by a Critical Skills List, encompassing all potential occupations in a given industry in which the government wants to encourage growth.

The Australian system has many concepts that South Africa can benefit from. For example, creating a programme where preferred employers who meet certain standards could be offered faster processing or a reduced set of requirements on a standard work visa type. Additionally, conducting audits for a subset of employers (as opposed to verifying every applicant in full) would allow for significantly greater efficiency. Having clear rules about what happens when a business does not comply is essential to incentivise compliance.

United Kingdom

The UK immigration system has a combination of points-based eligibility and a trusted employer programme as some changes were enacted in December 2020 to manage changes to immigration as a result of Brexit. The points-based system in itself is very transparent and one can determine prior to starting a process whether the applicant is eligible and whether the application will be approved. The characteristics of the system are:

- Rather than trying to anticipate skills needs by static occupation lists that attempt to match demand in the economy, a points system is used with an occupation list simply giving extra points.
- Employers who are registered as sponsors and make offers to foreigners to ensure they can receive points. Remaining registered as an approved sponsor has material benefits in terms of speed of approval and flexibility in appointment of staff. This is similar to the Australian system.
- The use of minimum salaries ensures that individuals are not dependent on the state when they are received in the country.
- A certificate of sponsorship is issued as proof of approval of work authorisation and security checks are then dealt with by the consulate at the point of visa application.

In addition, the points-based system provides an opportunity for those without a sponsor to complete an application for work authorisation based on their skills or other attributes.

Box 5 describes how the points-based system is applied in the UK context.

Box 5: Work visa procedures in the UK

Roles that qualify for sponsorship – New immigration system		
Points requirement		
<ul style="list-style-type: none"> • A total of 70 points required to be eligible • Prescriptions are made about mandatory and tradeable characteristics, and this informs how points are calculated. <ul style="list-style-type: none"> - Characteristics in RED are mandatory - Characteristics in ORANGE are tradeable - UNSHADED characteristics can also be used in calculating points allocation • Applicants will be able to trade other characteristics to reach 70 points 		
Characteristics	Tradeable	Points
Offer of a job by approved sponsor	No	20
Job at appropriate skill level	No	20
Speaks English at the required level	No	10
Salary of £20,480 (min) - £23,039	Yes	0
Salary of £ 23,040 - £25,599	Yes	10
Salary of £25,600 or above	Yes	20
Job in a shortage occupation	Yes	20
Education qualifications: PhD in subject relevant to the job	Yes	10
Education qualification: PhD in a STEM subject relevant to the job	Yes	20

There are several benefits to introducing a points system. For a country like the UK, which processes a large number of visa applications, the points system allows applicants to self-identify before applying, reducing some pressure on the system. The point system also increases flexibility and transparency for applicants and the organisations who hire them. The 2017 White Paper on International Migration recognised the importance of these benefits when it proposed that a points system be introduced in South Africa (DHA, 2017). Given the skills shortages which the country faces, the White Paper proposes that the points system be adjusted strategically from time to time to support national goals (DHA, 2017).

RECOMMENDATIONS

This review has identified that while the need to attract skills to support economic growth is emphasised by a number of policy documents, including the White Paper on International Migration and the Economic Reconstruction and Recovery Plan, there is significant scope to strengthen the existing regulatory framework and processes to achieve this objective. This section provides specific recommendations based on the analysis and key findings outlined in previous sections. These recommendations are for the attraction of skills and investment in the context of a rapidly evolving global labour market while at the same time protecting and promoting the employment of South Africans. The recommendations made are also intended to support the DHA in fulfilling its mandate, given its leading role in implementing work visa policies. The section first outlines recommendations for improvements to the process of receiving and adjudicating visa applications, and then to the policy framework governing the work visa system.

PROCESS RECOMMENDATIONS

The recommendations below outline improvements that could be made to increase the efficiency of the work visa process.

Recommendation 1: Streamline documentation requirements and adjudication processes

As outlined above, the DHA routinely identifies fraudulent or disqualifying information during adjudication. This confirms that adequate checks and thorough verification processes are essential and attempts to improve the efficiency of visa processes should balance speed with rigour. At the same time, there are several requirements for visa approval are neither essential for health, security, or other purposes. They are often excessively onerous and place a high administrative burden on both the applicant and DHA. Table 6 outlines specific recommendations to mitigate risks faced by the department while reducing this burden and increasing processing speeds.

Table 6: Proposed risk mitigation approaches

	Existing risk mitigation procedure	Potential risk mitigation procedure
Health	Requires all applicants to submit a radiological report, a medical report and a yellow-fever certificate (where applicable).	The requirement to submit a radiological report should be removed, as it no longer serves a rational public health purpose. This has been confirmed by the National Institute for Communicable Diseases (NICD). See Appendix F. A medical report should be required from successful applicants only, before entry to the country.
Security	Requires an applicant to provide a police clearance certificate from each country they have lived in for 12 months or more since they were 18.	This requirement should be changed to require applicants to submit police clearance certificates for countries lived in for 12 months or more during the last five years only. In addition, a triage system should be established based on the country of origin and/or countries frequently visited to allow high and/or medium risk profiles can be investigated further. Other criteria could include profiles flagged on international and local databases or if an individual will be working in a field impacting national security. This approach is followed by the USA, the UK and other countries.
Qualifications	Requires all applicants who have not qualified in a South African University to verify their qualifications with SAQA and for professionals to provide proof of membership of an established South African professional body.	Registrations with a professional body should not be included in the visa process, as such registration and/or licensing for certain professions is enforced separately and need not be duplicated. For visa applicants who already have a job offer from a trusted employer (see below), the employer should be responsible for verifying qualifications. Only critical skills and other visa applicants who do not have a job offer from an employer at the time of application should be required to obtain verification of their qualifications through SAQA.

The implementation of these changes to the documentation requirements and adjudication process would create a more appropriate balance between ensuring efficiency and addressing risks.

Recommendation 2: Modernise IT systems and introduce automation

It is imperative for DHA to modernise its IT systems to vastly improve operational efficiency. Visa application and adjudication systems should be fast, designed to process large volumes of applications, and with the overall architecture within the DHA's control. The current system is largely manual, slow, and outdated, placing a significant burden on the DHA and increasing opportunities for errors to be made. Additional investments to upgrade the DHA's technology platforms should enable centralised visa applications, approvals, and filing, as this will ease application processing and enable more sophisticated data analysis. The current IT planning process should provide

to include work visa categories, as well as significantly greater capacity to ensure that this system works efficiently and prevent downtime. In this regard, DHA needs to prioritise the recruitment of skilled ICT professionals to strengthen the department's core capability. They should have the capacity to design, implement and maintain system updates. A detailed assessment should be undertaken to identify opportunities for automation in the visa adjudication process, including to implement a "triage" or risk assessment system and ensure a greater focus on higher-risk applications while simplifying the verification process for low-risk applicants. Finally, upgrading internet processing speed will ensure that adjudicators can also move through the system quite quickly.

Recommendation 3: Expand human resources capacity in the Immigration Services Branch

HR capacity in the branch requires urgent review, the aim being to reinforce the dedicated staff currently in place with people capable of supporting essential IT upgrades. Such a review should be undertaken in time to enable the preparation of an appropriate budget allocation for FY 2023/2024. This is critical for the creation of a future professional DHA immigration service branch.

POLICY & REGULATORY FRAMEWORK RECOMMENDATIONS

The review of the policy and regulatory framework has found that there is a need to enhance the visa system to attract skills and support economic growth. The recommendations below aim to simplify and streamline the system; to introduce greater flexibility, recognising the rapidly changing nature of the labour market; to create pathways for new types of skilled entrants; to differentiate between different types of applicants and employers; and to enhance the predictability of the system.

Recommendation 4: Upgrade the ESSA database

The ESSA database needs a substantial upgrade for it to be a useful tool for departmental decision making on general work visa applications. The current database is significantly constrained in its ability to facilitate skilled immigration and leads to unacceptable process delays. The DEL and DHA should do a comprehensive review on how improvements can be made on the database. For example, more granular information is required on the work seekers' professional experience to better estimate whether they are a fit for vacancies and the ESSA database should be automated and incorporated in any technological modernisation by the DHA, to ease adjudications.

Recommendation 5: Update the Critical Skills List more frequently

The Critical Skills List should be updated at least every two years by the Department of Higher Education and Training to ensure that it remains relevant, given the dynamic nature of the labour market. There is also a need to explore sector-based list which will be informed by strategic national industries. The DTIC and representatives from priority industries can partner in updating the list.

Recommendation 6: Introduce a trusted employer scheme

South Africa should introduce a trusted-employer scheme to allow employers to be vetted and approved in advance and reduce the administrative burden for visa applications. Under a trusted-employer scheme, an entity looking to employ skilled foreign labour would undergo a review assessing its fitness to import skills against established criteria (e.g. compliance with tax rules and labour regulations). The trusted employer would then have access to a simplified route for employing a determined number of skilled foreign nationals from outside the country and would be subject to reduced requirements for each visa application. For example, the onus would be placed on trusted employer to verify qualifications and to perform criminal record and other background checks. Severe penalties, including blacklisting, heavy fines and, possibly, criminal prosecution, would be imposed on employers who breach the trust, formalized through a signed agreement. 'Trusted employers' would be subject to random audits and spot checks. The arrangement would benefit employers by injecting speed and predictability into the system, while sharing risk and responsibility for compliance accordingly and rewarding compliant employers for good behaviour.

Eligibility criteria for participation in the trusted employer scheme could include:

- Major investors (with investment in South Africa above a defined threshold, e.g., R500 million)
- Strategic sectors (sectors identified as priority growth areas)
- Regional offices (multinational companies with a regional or global office in South Africa)

Companies in any of these categories wishing to participate in the scheme would need to prove their eligibility and demonstrate company registration, tax compliance and compliance with labour regulations. Once approved, they would be granted a specific number of visas per annum up to a maximum proportion of total staff (e.g., 20 visas or a maximum of 20% of the company's total staff complement in South Africa, whichever figure is lower). The employer would provide a certificate of sponsorship to each prospective employee to support their application.

Recommendation 7: Introduce a points-based system

A points-based immigration system determines eligibility for a work visa according to whether the noncitizen is able to score above a threshold of points in a scoring system that might include such factors as education level, professional specialisation, wealth, and language. The points system replaces subjective decision-making with objective criteria that can be modelled to meet stakeholder expectations and creates more predictability regarding visa approvals. It also reduces the reliance on predetermined measures of skills in demand (such as the Critical Skills List), allowing for greater flexibility and responsiveness to changing needs in the economy. A core benefit of a points-based system is that it can integrate multiple existing visa categories, such as the critical skills visa and general work visa, into a single, easy-to-apply scheme. This system can be built around the existing regulatory framework to deliver these benefits. For these reasons, the implementation of a points-based system is a key decision of the White Paper on International Migration, although it has not been implemented to date.

The table below provides an illustration of what a points-based system could entail for South Africa.¹⁴

Table 7: Illustrative criteria for a points system

Criterion	Points allocation
Occupation on the Critical Skills List	100
Labour market test performed by employer (i.e. DEL certificate)	100
Qualification at NQF Level 8 or higher	50
Certificate of sponsorship from trusted employer	50
Salary above determined threshold (e.g. R1 million p.a.)	50
Total points required for eligibility	100

In this illustrative scheme, an applicant would be provided with a work visa in any of the following scenarios:

- The applicant matches an occupation on the Critical Skills List (i.e., the same as the current critical skills visa)
- The employer is able to prove that no South African is available for the role (i.e., the same as the current general work visa)
- The applicant is sponsored by a trusted employer, and has a level of education at NQF8 or higher or will be paid a salary above the minimum threshold
- The applicant has a level of education at NQF8 or higher and will be paid a salary above the minimum threshold

The first two scenarios resemble the existing visa categories, incorporated into a single regulatory framework for greater simplicity. The next two scenarios provide additional pathways for skilled individuals to enter the country, while ensuring that they do not compete with unemployed South Africans (as explained in section 2 above). This would encourage highly

¹⁴ Note that this is only for illustrative purposes and could be adjusted based on the preferences of the DHA. This adjustability is a key advantage of the points-based approach.

qualified, high-paid professionals to enter South Africa for a limited period while avoiding the limitations of the existing visa categories and substantially simplifying the qualification criteria, all of which would reduce the administrative burden on both the applicant and DHA. Furthermore, a points-based system would reduce reliance on the ESSA database with its current limitations.

Recommendation 8: Introduce new visa categories to cater for remote workers and start-ups

The changing nature of work and business globally requires countries looking to attract global talent to evolve with the trends in order to seize economic benefits. Remote workers can be relied on to support economic growth as they would enter the country with jobs in companies outside South Africa, rent accommodation and workspaces from local companies, purchase goods from local businesses, and contribute to growth of the tourism sector. This is a “no regrets” option for any country, as there is a net benefit from any spending that occurs locally that would have otherwise occurred elsewhere. As a result, many countries have created a visa class for this worker:

A remote work visa would allow foreign nationals with an employment contract in another country to reside in South Africa for a period of 12 months. Requirements would include proof of employment and/or a monthly income (in the case of freelance workers) above a minimum threshold, such as US\$5000, as well as confirmation from the employer that the applicant is permitted to work remotely. Applicants should also provide proof of medical insurance valid in South Africa. The main criterion for remote workers should be that they

are self-sufficient and will therefore contribute positively to the South African economy. Further engagement with relevant government departments would be required to design the visa class.

Investigate, high-growth start-ups. Such companies have the potential to drive growth and job creation at a significant scale. However, in order to position South Africa as an attractive destination for start-ups – against strong competition from global start-up hubs such as Silicon Valley, London and Amsterdam, and African hubs such as Nairobi and Lagos – start-ups must be able to attract the best global talent, particularly in technology-related roles. A unique visa category should be introduced to allow qualifying start-ups to access a defined number of visas without the limitations imposed by other categories. In order to qualify, start-ups should meet clearly specified criteria. These should include that the start-up is based in South Africa; is newly established or has been incorporated for less than five years; does not distribute its profits, and has not done so in the past; is not the result of a company merger or split; has research and development expenditure that corresponds to at least 15% of turnover (in line with the R&D incentive offered by the DSI); and is the owner or licensee of a registered patent (or has filed an application for an industrial property right). These criteria would ensure that only high-growth, high-tech start-ups qualify for the start-up visa.

SUMMARY OF RECOMMENDATIONS

Table 8 below provides a summary of the recommendations and prescribes key actions to enable their execution.

Table 8: Summary of recommendations

Category	Recommendation	Description	Action required
Process improvements	Recommendation 1: Streamline documentation requirements and adjudication processes	1(a) Remove requirement for radiological report 1(b) Remove requirement for registration with a professional body 1(c) Require police clearance certificate from each country that an applicant has lived for 12 months or more during the past five years	- Amend sections 9, 14 and 18 of the Immigration Regulations
	Recommendation 2: Modernise IT systems and introduce automation	2(a) Develop a secure IT system with the necessary features to ensure interoperability between departments and introduce automation to categorise and triage applications according to risk 2(b) Hire the necessary IT staff to maintain IT functions and modernise DHA systems 2(c) Upgrade internet speeds within the DHA 2(d) Develop a secure IT system for Trusted Employer Scheme (TES). The TES will have a database of vetted companies that use or have the potential to employ foreign nationals. Each foreign national will have an online Immigration Account Profile unique number which they will open from their country of origin on TES. Their application and documents together with the employment contract are scanned and sent using their own Immigration Account. There is no need for the Applicant to go to the Embassy. The Employer recommends it on the system authenticating that all documents was seen and is true and correct. Home Affairs official approves and issued a Visa letter online immediately.	- Approve business case for capacitation for the IS branch - Upgrade connection speeds within the DHA from 512kbps to min 30Mbps - Develop business case and secure resources for upgrading IT infrastructure - Appoint a dedicated team of IT specialists to maintain the Trusted Employer Scheme IT system.

Category	Recommendation	Description	Action required
Policy & Regulatory improvements	Recommendation 3: Expand human resources capacity in the Immigration Services Branch	3(a) Conduct comprehensive human resource review based, which should be informed by tech modernisation 3(b) Develop a new organisational structure for Trusted Employer Scheme.	<ul style="list-style-type: none"> - Develop a new organisational structure, considering required changes - Appoint a Chief Director with 4 Directors to maintain the needs of the Trusted Employers. Appoint 9 Immigration Officials based in each province to visit and conduct inspections of Trusted Employers companies and report to Chief Director.
	Recommendation 4: Upgrade the ESSA database	4(a) Internally review upgrades to be made to ESSA and provide brief to IT on the requirements to support DHA and DEL needs	<ul style="list-style-type: none"> - Develop brief ESSA which align with recommended tech upgrades
	Recommendation 5: Update the Critical Skills List more frequently	5(a) Establish regular cadence for updating the Critical Skills List	<ul style="list-style-type: none"> - Include necessary steps for Critical Skills List updates in annual plans of the DHA and DHET
	Recommendation 6: Introduce a trusted employer scheme	6(a) Engage relevant ministers through IMC 6(b) Identify key departments to support implementation of the trusted employer programme 6(c) Determine criteria for participation in the trusted employer scheme	<ul style="list-style-type: none"> - Amend the Immigration Regulations
	Recommendation 7: Introduce a points-based system	7(a) Determine criteria for points-based system to streamline work visa categories and introduce greater flexibility	Amend the Immigration Regulations
	Recommendation 8: Introduce new visa categories to cater for remote workers and start-ups	8(a) Specify visa eligibility for remote workers	<ul style="list-style-type: none"> - Specify requirements for a remote work visa and start-up visa (including for partners and children) - Amend sections 11 and 14 of Immigration Regulations

CONCLUSION

South Africa's labour market is characterised by high levels of unemployment and a growing shortage of skilled talent. These two facts are often perceived to be in conflict with each other. However, as the analysis above has demonstrated, they exist simultaneously. This means that South Africa needs to attract skilled labour in order to grow the economy, which will in turn create employment at lower skills levels. Far from displacing South African employment, more than one job will be created for South Africans for every one highly skilled foreign national that is attracted to the country. At present, South Africa's immigration system has allowed large numbers of unskilled and low-skilled immigrants to enter the country, often outside of the legal system, but has placed severe limitations on the entry of high-skilled immigrants. Thus, while there are an estimated 3.95 million foreign nationals present in the country, only a few thousands critical skills visas are approved each year.

The immigration system should aim to achieve precisely the opposite. Its primary goal should be to attract skills and investment, while protecting and promoting the employment of South Africans. This goal should be reflected in both the policy framework as well as the processes governing work visas.

This review has considered the critical skills, general work, business and intracompany transfer visas as the instruments facilitating the entry of skilled workers and investors into the country.

While South Africa suffers from high unemployment rates, the majority of those who are unemployed are not highly skilled and are not competing for the same vacancies as the

global talent South Africa should attract to close the skills gap. Unemployed South Africans typically lack the skills, specialisation or experience required to fill vacancies for which skilled foreign nationals are required. The long-term solution must be to improve the skills development system in South Africa. In the short-term, however, skilled immigration can alleviate the skills gap, ensuring that businesses can operate at capacity and compete in global markets.

The literature has shown that work visas for skilled professionals have net positive effects on the economy as skilled immigrants tend not to displace local employment and are complementary rather than substitutes for local staff. Additionally, companies can expect higher productivity and innovation from skilled workers which support higher incomes for all. In South Africa, census data confirms the positive benefits of skilled immigration given the higher taxes paid by skilled foreign nationals who traditionally do not deplete public resources. Therefore, we should aim to minimize inefficiencies and obstacles to allowing such labour to enter the country.

The policy and process review of work visas has revealed that there are opportunities to strengthen the policy framework and its implementation to ensure that skilled immigration advances stated national goals. Applicants, employers, and the DHA face challenges when engaging with the work visa system. For applicants, the process is lengthy, unpredictable, and inefficient. For businesses, the system does not provide adequate flexibility given the dynamic nature of skills needs in the economy. For the DHA, the process is highly complex, relies on other departments and agencies, and places a high administrative burden on a comparatively small workforce.

To address these and other bottlenecks, it will be crucial to invest in modernising the visa system to ensure that it meets national needs and responds to global realities. The recommendations made in this review would allow the processing of applications to be optimised while maintaining the robustness and integrity of adjudication procedures. Strengthening the policy framework, including through simplifying and streamlining existing categories and introducing new ones, would position South Africa as a competitive global destination for foreign talent while benefitting all South Africans, growing the economy and creating jobs.

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APPENDIX A: DATA SOURCES USED IN THE REPORT

The analysis presented in this report is based on a number of sources, including:

- A desktop review of relevant legislation and policy documents
- An analysis of data provided by the DHA on visa applications and approvals covering the period 2014 to 2021
- A benchmarking assessment based on case studies from peer countries as well as global best practice
- A literature review and analysis commissioned by Operation Vulindlela from the Development Policy Research Unit (DPRU) at the University of Cape Town
- Evidence from a survey of the members of Business Leadership South Africa, an independent association whose members include the largest firms present in South Africa
- Interviews with the following key government departments and stakeholders:
 - The Department of Home Affairs
 - The Department of Employment and Labour
 - The Department of Trade, Industry and Competition
 - The Department of Higher Education and Training
 - The South African Qualifications Authority
 - Immigration practitioners

APPENDIX B: SURVEY QUESTIONS

• Survey questions

1. The foreign workers employed by your organisation are typically (please tick all that are applicable):

a. Fixed duration employment contracts	
b. Seasonal workers	
c. Permanently employed	
d. International assignments of 5 years or less duration	
e. International assignments permanent/indeterminate	

2. To the extent that your company employs personnel on an intracompany transfer visa, do these personnel have an active employment contract in another country? (In other words, was their employment elsewhere terminated when they took up employment in South Africa?)

a. Yes	
b. No	

3. Select the statement that best matches your organisation's experience:

a. My company hires foreign workers when no South African meets the requirements	
b. My company prefers foreign labour	
c. My company has no preference	
d. My company makes regional office appointments	

3.1. Follow-up question: If your company prefers foreign labour (b), could you provide a reason for this?

Skills transfer to ZA, skills shortage, work ethic/attitude, foreigners more willing to travel for long periods

4. How does your company ensure that South African workers are not prejudiced by the employment of foreign workers?

a. Quota-based recruitment policy	
b. Employment-equity based recruitment policy	
c. Skills-based recruitment policy	
d. Agreements with organised labour	
e. Bargaining council agreements	
f. Other	

If Other, please specify:

5. Please select the visa categories for which your organisation has applied in the past three years

a. General work visa	
b. Critical work visa	
c. Intracompany transfer visa	

6. On average, how many days does the application process take from compilation of documents to the final decision? Please specify the average number of days for each step of the application process.

	Average No. of Days
Compilation of documents	
Obtaining a certificate of evaluation from SAQA	
Obtaining a certificate from the Department of Employment and Labour	
Obtaining a certificate from the Department of Trade, Industry and Competition	
Processing of application by the Department of Home Affairs	

7. For applications that were unsuccessful, are you aware of why these applications were unsuccessful?

a. Yes	
b. No	

7.1. If yes, what were the reasons? Choose all that are applicable.

a. It was indicated that a South African would be able to occupy this position	
b. Administrative omissions, errors in application documentation	
c. Occupation quota reached	
d. Occupation not listed as a critical skill	
e. Other	

If Other, please specify:

8. Based on your experience, how would you describe the overall efficiency of the process of applying for work visas in South Africa?

a. Very poor	
b. Poor	
c. Average	
d. Good	
e. Excellent	

9. How do you think this process could be improved, i.e.m made quicker, more effective or less onerous, while still achieving its objectives? What changes would you like to see in the process to obtain authorization for non-South African residents to work in South Africa?

10. What has been your experience with the current process of applying for work visas? Please select one option that applies for each step in the process:

Compilation of documents	
Very easy	
Easy	
Average	
Difficult	
Very difficult	
Obtaining a certificate of evaluation from SAQA	
Very easy	
Easy	
Average	
Difficult	
Very difficult	
Obtaining a certificate from the Department of Employment and Labour	
Very easy	
Easy	
Average	
Difficult	
Very difficult	
Obtaining a certificate from the Department of Trade, Industry and Competition	
Very easy	
Easy	
Average	
Difficult	
Very difficult	
Processing of application by the Department of Home Affairs	
Very easy	
Easy	
Average	
Difficult	
Very difficult	

11. Do you believe that the requirement to advertise a vacant position in a national publication is effective in preventing the employment of non-South African residents where a South African candidate is available?

a. Yes	
b. No	

11.1. Please provide a reason for your answer:

12. How long do you believe an intracompany transfer visa should be valid for? (This is a class of visa to allow individuals to be moved between locations within a company, thus not intended for permanent transfers to South Africa).

_____ Months

13. In your view, would a system in which companies apply annually for a quota of positions that could be filled by non-South African residents be desirable?

a. Yes	
b. No	

13.1. Please provide a reason for your answer:

14. If you believe a quota would be beneficial, would your organisation be willing to commit to a minimum local employment and/or investment target in return for accessing the quota?

a. Yes	
b. No	

14.1. If no, please provide a reason for your answer:

15. In your view, would a two-fold process in which the employer submits a work authorization application in South Africa and, once approved, the applicant files a simple entry visa application in his/her home country be desirable?

a. Yes	
b. No	

15.1. If no, please provide a reason for your answer:

16. In your view, would a points-based system be preferable to the current work visa system?

a. Yes	
b. No	

16.1. If no, please provide a reason for your answer:

APPENDIX C: SURVEY RESULTS – TIME TAKEN FOR EACH COMPONENT OF THE VISA APPLICATION

Table C.1: Average and Median Time taken for each component of visa application (survey responses)

Calculation using categorised responses:											
Time Category	Category midpoint (Days)	Compilation of Documentation		SAQA		DEL		DTI		DHA	
		Freq.	Freq x midpoint	Freq.	Freq x midpoint	Freq.	Freq x midpoint	Freq.	Freq x midpoint	Freq.	Freq x midpoint
Up to 1 week	3.5	7	24.5	1	3.5	1	3.5	1	3.5	1	3.5
1-2 weeks	10.5	6	63	0	0	2	21	3	31.5	1	10.5
2 weeks - 1 month	21	6	126	14	294	7	147	9	189	5	105
1-3 months	60	9	540	10	600	9	540	6	360	13	780
3-6 months	135	4	540	2	270	6	810	3	405	7	945
>6 months	272.5	2	545	1	272.5	1	272.5	1	272.5	3	817.5
Total		34	1838.5	28	1440.0	26	1794.0	23	1261.5	30	2661.5
Average		54.1		51.4		69.0		54.8		88.7	
Median category		2 weeks - 1 month		2 weeks - 1 month		1-3 months		2 weeks - 1 month		1-3 months	

Calculation without using time categories:					
	Compilation of Documentation	SAQA	DEL	DTI	DHA
Average	63.4	56.4	74.4	65.8	115.6
Median	30	30	60	30	60
No. of responses:	34	28	26	23	30
Other Responses:					
Employee*	4	3	3	2	1
Outsource**	0	2	2	2	2
Total no. of responses:	38	33	31	27	33

Notes:

If the original response from the employer was a range (E.g. 5-7 days) the midpoint of the response is used for calculation purposes (in this case, 6 days). Averages using time categories and midpoints are calculated as the total of Freq x midpoint divided by the total frequency of response per time category. The averages and medians calculated without using time categories are calculated by taking the sum of all employer responses that are numerical divided by the number of responses.

*The employer could not indicate a time frame because the application process is the sole responsibility of the employee.

**The employer could not indicate a time frame because the employer outsources the application process administration to a firm specialising in these applications.

APPENDIX D: EXTRACTS FROM THE ESSA DATABASE

Table D.1: Variables contained in the Opportunities Database of ESSA

PROVINCE	OPPORTUNITY NAME	OPPORTUNITY REFERENCE	OPPORTUNITY TYPE	OPENING DATE	CLOSING DATE	OPPORTUNITY LOCATION
Name of province where job will be based	Name of opportunity provided by employer	Reference of vacancy as provided by the employer	Whether the vacancy is for a formal or informal job	The opening date of applications for the vacancy	The closing date for applications to fill the vacancy	Name of the city/town where the job will be based

Table D.2: Variables contained in the Work Seekers Database of ESSA

PROVINCE	SURNAME	FIRST NAME	AGE	EQUITY	PHYSICAL ADDRESS LINE 1	EXPERIENCE	WS QUALIFICATION DESC	OCCUPATION
Name of province where job seeker resides	Surname of the job seeker	First name of the job seeker	Age of the job seeker		Physical address of the job seeker	Years of experience as entered by the job seeker	Highest qualification as listed by the job seeker	Current/past occupation listed by the job seeker

APPENDIX E: VISA PROCESSING IN DIFFERENT COUNTRIES

Figure E.1: Nigeria Visa Work Processing

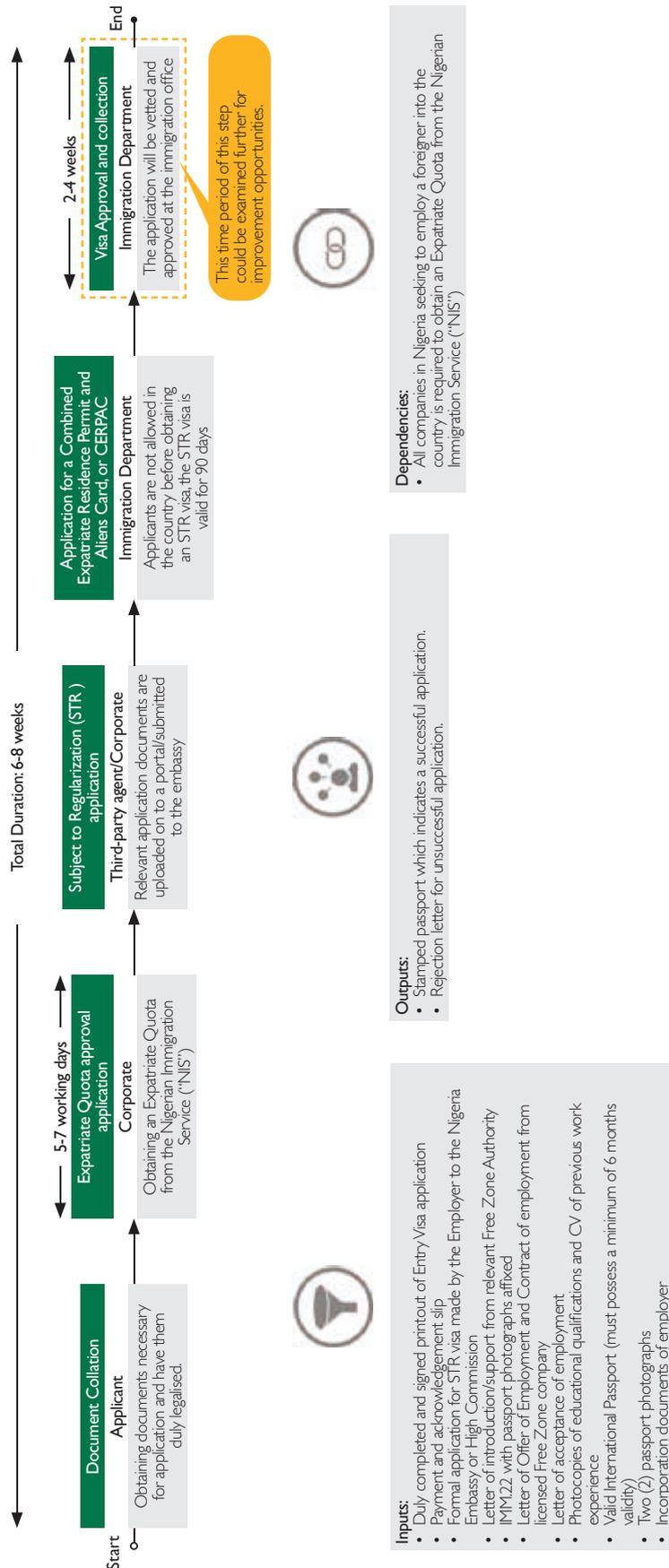


Figure E.2: Kenya Visa Work Processing

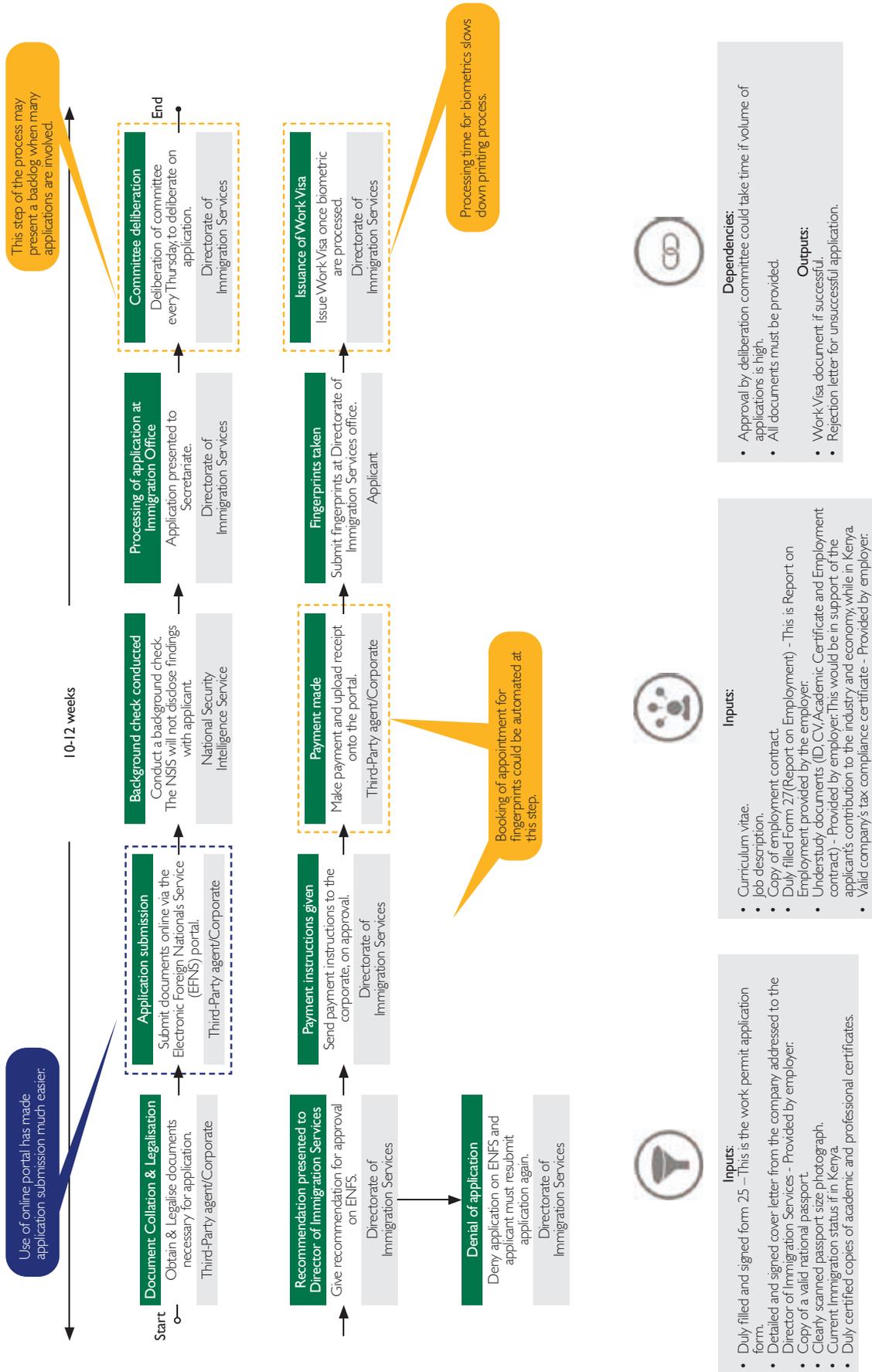
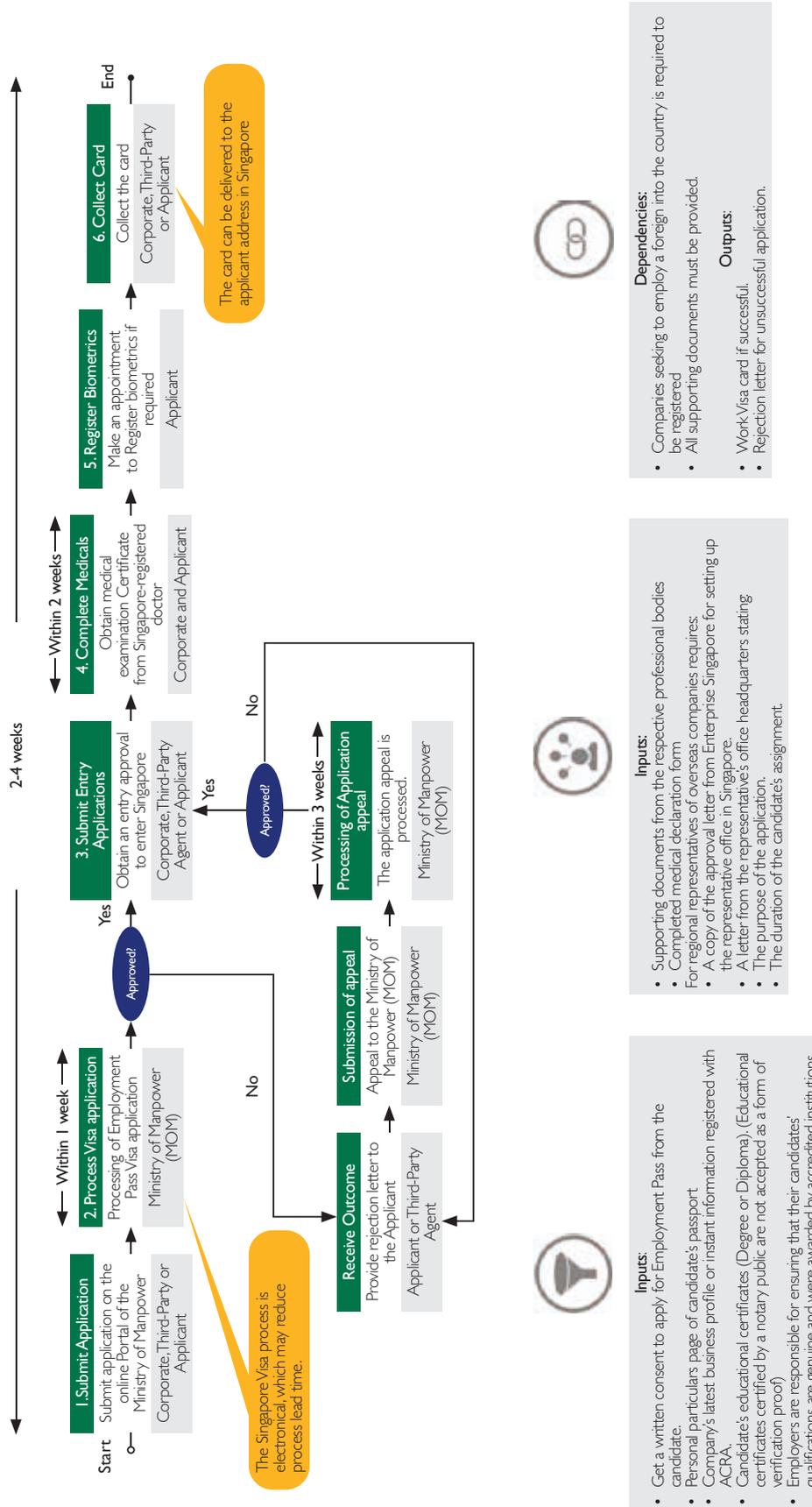


Figure E.3: Singapore Visa Work Processing



APPENDIX F: OPINION FROM THE NATIONAL INSTITUTE FOR COMMUNICABLE DISEASES (NICD)



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19 August 2022

Opinion on requirement for a radiological report for visa applications for control of Tuberculosis

Background

1. Section 9(1)(c) of the South African Immigration Regulations of 2014 requires prospective applicants for work visas to provide a radiological report not older than 6-months excluding active tuberculosis (TB) as part of public health measures for the control of tuberculosis (TB) in South Africa.¹
2. In determining whether the requirement for visa applicants to submit a radiological report is appropriate the potential impact of the requirement, and potential cancellation thereof, on TB incidence in South Africa needs to be considered.
3. TB is an infectious disease spread predominantly through respiratory aerosols. South Africa ranks amongst the 20 highest burden tuberculosis (TB), drug-resistant TB and HIV-co-infected TB countries, globally.² The South African 2018 TB prevalence study estimated the prevalence of bacteriologically confirmed pulmonary TB in South Africa at 852 (95% CI 679-1,026) per 100,000 population among individuals 15 years and older.³
4. In 2020, the incidence of all forms of TB across all ages in South Africa was estimated to be 554 (uncertainty interval: 388 –749) per 100,000 population, the second highest incidence rate in the world, equating to approximately 328,000 (uncertainty interval 230,000 - 444,000) new cases of TB in 2020. South Africa's TB incidence is more than four times higher than the estimated global incidence of 127 cases (UI: 114 – 140) per 100,000 population.⁴
5. TB incidence is strongly associated with poverty. Poverty facilitates the transmission of TB, through poor living conditions, diagnostic delays and increased vulnerability due to other co-morbid conditions such as malnutrition and HIV. Poverty alleviation is an integral component of TB control efforts.⁵
6. The requirement to provide a radiological report poses a substantial barrier to prospective work visa applicants as it is expensive, time-consuming and difficult to obtain in many countries with up to two-thirds of the global population having no access to Chest X-rays.⁶ This requirement therefore potentially has a chilling effect on South Africa's ability to attract skilled workers. A recent analysis conducted by the World Bank of immigration to South Africa concluded that immigration has a

¹ Department of Home Affairs. Immigration Regulations, 2014

² WHO global lists of high burden countries for TB, multidrug/rifampicin-resistant TB (MDR/RR-TB) and TB/HIV, 2021–2025. Geneva: World Health Organization; 2021. Licence: [CC BY-NC-SA 3.0 IGO](#).

³ Moyo S, Ismail F, Van der Walt M, et al. Prevalence of bacteriologically confirmed pulmonary tuberculosis in South Africa, 2017-19: a multistage, cluster-based, cross-sectional survey. *The Lancet. Infectious Diseases*. 2022 Aug;22(8):1172-1180. DOI: 10.1016/s1473-3099(22)00149-9. PMID: 35594897; PMCID: PMC9300471.

⁴ Global tuberculosis report 2021. Geneva: World Health Organization; 2021. Licence: [CC BY-NC-SA 3.0 IGO](#).

⁵ An ecological analysis of incidence of tuberculosis and per capita gross domestic product. *Eur Respir J* 2008;32:1415–1416

⁶ Morris, Michael & Saboury, Babak. (2019). Access to Imaging Technology in Global Health: Strategies, Implementation, and Applications. 10.1007/978-3-319-98485-8_3.

positive impact on local employment, with each immigrant generating approximately two jobs for South Africans.⁷

Assessment of potential impact on TB control in South Africa of cancelling radiological report requirement

1. Since South Africa has the second highest TB incidence in the world, and substantially higher than the global average, the incidence of active TB amongst people applying for a South African work visa will on average be lower than that of the South African population.
2. In this context, imported cases of active TB amongst foreign workers are highly unlikely to have a material impact on TB incidence in South Africa and pose no substantial threat to South African TB control efforts.
3. Reducing barriers to skilled workers obtaining work visas could potentially contribute to the economy, reduce poverty and assist in TB control efforts.

Recommendation

In light of the above considerations, the requirement for work visa applicants to submit a radiological report not older than 6-months excluding active tuberculosis is not warranted and should be cancelled.

Sincerely



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⁷ World Bank Group. 2018. Mixed Migration, Forced Displacement and Job Outcomes in South Africa. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/30158> License: CC BY 3.0 IGO

